

REGULATION FOR EMISSIONS TRADING (9 VAC 5 CHAPTER 140)

NOTE TO REVIEWERS: This version of the proposal approved for public comment by the State Air Pollution Control Board on December 8, 2005 does not comply with the formatting requirements of the Virginia Registrar of Regulations required for publication on the Virginia Register. Thus, the version of the proposal published in the Virginia Register on July 10, 2006 differs from this version in some formatting aspects. These formatting differences relate to the numbering of articles, subsections and subdivisions and do not affect the substantive text of the proposal. The Board's version was formatted based on model rules provided by the U.S. Environmental Protection Agency to aid states in the development of regulations to meet the EPA CAIR initiative. The main advantage of the Board's version is that it makes comparison with corresponding federal rules easier than the Virginia Register version. The Board will accept comments based upon either this version or the one published in the Virginia Register. It would be appreciated if commenters would indicate the version upon which the comments are based.

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Article 11.

CAIR NO_x Annual Trading Program General Provisions.

9 VAC 5-140-1010. Purpose.

This part establishes general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) NO_x Annual Trading Program, under § 110 of the Clean Air Act and 40 CFR 51.123, as a means of mitigating interstate transport of fine particulates and nitrogen oxides. The board authorizes the administrator to assist the board in implementing the CAIR NO_x Annual Trading Program by carrying out the functions set forth for the administrator in this part.

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9 VAC 5-140-1020. Definitions.

A. As used in this part, all words or terms not defined here shall have the meaning given them in 9 VAC 5 Chapter 10 (9 VAC 5-10-10 et seq.), unless otherwise required by context.

B. For the purpose of this part and any related use, the words or terms shall have the meaning given them in this paragraph.

“Account number” means the identification number given by the administrator to each CAIR NO_x Allowance Tracking System account.

“Acid Rain emissions limitation” means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

“Acid Rain Program” means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the administrator under title IV of the CAA and 40 CFR Parts 72 through 78.

“Administrator” means the administrator of the United States Environmental Protection Agency or the administrator's duly authorized representative.

“Allocate” or “allocation” means, with regard to CAIR NO_x allowances issued under Article 15 (9 VAC 5-140-1400 et seq.) of this part, the determination by the permitting authority or the administrator of the amount of such CAIR NO_x allowances to be initially credited to a CAIR NO_x unit or a new unit set-aside and, with regard to CAIR NO_x allowances issued under 9 VAC 5-140-1880, the determination by the permitting authority of the amount of such CAIR NO_x allowances to be initially credited to a CAIR NO_x unit.

“Allocation year” means the year in which allowance allocations are calculated for a future year.

“Allowance transfer deadline” means, for a control period, midnight of March 1, if it is a business day, or, if March 1 is not a business day, midnight of the first business day thereafter immediately following the control period and is the deadline by which a CAIR NO_x allowance transfer must be submitted for recordation in a CAIR NO_x source's compliance account in order to be used to meet the source's CAIR NO_x emissions limitation for such control period in accordance with 9 VAC 5-140-1540.

“Alternate CAIR designated representative” means, for a CAIR NO_x source and each CAIR NO_x unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source in accordance with Article 12 (9 VAC 5-140-1100 et seq.) and Article 19 (9 VAC 5-140-1800 et seq.) of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR NO_x Annual Trading Program. If the CAIR NO_x source is also a CAIR SO₂ source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR SO₂ Trading Program. If the CAIR NO_x source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR NO_x source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program.

“Automated data acquisition and handling system” or “DAHS” means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under Article 18 (9 VAC 5-140-1700 et seq.) of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by Article 18 (9 VAC 5-140-1700 et seq.) of this part.

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“Boiler” means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

“Bottoming-cycle cogeneration unit” means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

“CAIR authorized account representative” means, with regard to a general account, a responsible natural person who is authorized, in accordance with Article 12 (9 VAC 5-140-1100 et seq.) and Article 19 (9 VAC 5-140-1800 et seq.) of this part, to transfer and otherwise dispose of CAIR NO_x allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

“CAIR designated representative” means, for a CAIR NO_x source and each CAIR NO_x unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with Article 12 (9 VAC 5-140-1100 et seq.) and Article 19 (9 VAC 5-140-1800 et seq.) of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR NO_x Annual Trading Program. If the CAIR NO_x source is also a CAIR SO₂ source, then this natural person shall be the same person as the CAIR designated representative under the CAIR SO₂ Trading Program. If the CAIR NO_x source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR NO_x source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program.

“CAIR NO_x allowance” means a limited authorization issued by the permitting authority or the administrator under Article 15 (9 VAC 5-140-1400 et seq.) of this part or 9 VAC 5-140-1880 to emit one ton of nitrogen oxides during a control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR NO_x Program. An authorization to emit nitrogen oxides that is not issued under provisions of a state implementation plan that are approved under 40 CFR 51.123(o)(1) or (2) shall not be a CAIR NO_x allowance. No provision of the CAIR NO_x Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-1040 B or 9 VAC 5-140-1050 and no provision of law shall be construed to limit the authority of the United States or board to terminate or limit such authorization, which does not constitute a property right.

“CAIR NO_x allowance deduction” or “deduct CAIR NO_x allowances” means the permanent withdrawal of CAIR NO_x allowances by the administrator from a compliance account in order to account for a specified number of tons of total nitrogen oxides emissions from all CAIR NO_x units at a CAIR NO_x source for a control period, determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, or to account for excess emissions.

“CAIR NO_x Allowance Tracking System” means the system by which the administrator records allocations, deductions, and transfers of CAIR NO_x allowances under the CAIR NO_x Annual Trading Program. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

“CAIR NO_x Allowance Tracking System account” means an account in the CAIR NO_x Allowance Tracking System established by the administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR NO_x allowances.

“CAIR NO_x allowances held” or “hold CAIR NO_x allowances” means the CAIR NO_x allowances recorded by the administrator, or submitted to the administrator for recordation, in accordance with Article 16 (9 VAC 5-140-1500 et seq.), Article 17 (9 VAC 5-140-1600 et seq.), and Article 19 (9 VAC 5-140-1800 et seq.) of this part, in a CAIR NO_x Allowance Tracking System account.

“CAIR NO_x Annual Trading Program” means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with

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this part and 40 CFR 51.123, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

“CAIR NO_x emissions limitation” means, for a CAIR NO_x source, the tonnage equivalent of the CAIR NO_x allowances available for deduction for the source under 9 VAC 5-140-1540 A and B for a control period.

“CAIR NO_x Ozone Season source” means a source that includes one or more CAIR NO_x Ozone Season units.

“CAIR NO_x Ozone Season Trading Program” means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part III of this chapter and 40 CFR 51.123, as a means of mitigating interstate transport of ozone and nitrogen oxides.

“CAIR NO_x Ozone Season unit” means a unit that is subject to the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2040 and a CAIR NO_x Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seq.) of Part III of this chapter.

“CAIR NO_x source” means a source that includes one or more CAIR NO_x units.

“CAIR NO_x unit” means a unit that is subject to the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1040 and, except for purposes of 9 VAC 5-140-1050 and Article 15 (9 VAC 5-140-1400 et seq.) of this part, a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of this part.

“CAIR permit” means the title V operating permit or state operating permit, issued by the permitting authority under Article 13 (9 VAC 5-140-1200 et seq.) of this part, including any permit revisions, specifying the CAIR NO_x Annual Trading Program requirements applicable to a CAIR NO_x source, to each CAIR NO_x unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

“CAIR SO₂ source” means a source that includes one or more CAIR SO₂ units.

“CAIR SO₂ Trading Program” means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the administrator in accordance with Part IV of this chapter and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

“CAIR SO₂ unit” means a unit that is subject to the CAIR SO₂ Trading Program under 9 VAC 5-140-3040 and a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of Part IV of this chapter.

“Clean Air Act” or “CAA” means the Clean Air Act, 42 U.S.C. 7401, et seq.

“Coal” means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

“Coal-derived fuel” means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

“Coal-fired” means:

1. Except for purposes of Article 15 (9 VAC 5-140-1400 et seq.) of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during any year; or

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2. For purposes of Article 15 (9 VAC 5-140-1400 et seq.) of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during a specified year.

“Cogeneration unit” means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

1. Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy; and

2. Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after which the unit first produces electricity –

a. For a topping-cycle cogeneration unit,

(1) Useful thermal energy not less than 5.0% of total energy output; and

(2) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5% of total energy input, if useful thermal energy produced is 15% or more of total energy output, or not less than 45% of total energy input, if useful thermal energy produced is less than 15% of total energy output.

b. For a bottoming-cycle cogeneration unit, useful power not less than 45% of total energy input.

“Combustion turbine” means:

1. An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

2. If the enclosed device under subdivision 1 of this definition is combined cycle, any associated heat recovery steam generator and steam turbine.

“Commence commercial operation” means, with regard to a unit serving a generator:

1. To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in 9 VAC 5-140-1050.

a. For a unit that is a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit that is a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-1050, for a unit that is not a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3 of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit

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becomes a CAIR NO_x unit under 9 VAC 5-140-1040.

a. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-1840 H or 9 VAC 5-140-1870 B 3, for a CAIR NO_x opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, the unit's date for commencement of commercial operation shall be the date on which the owner or operator is required to start monitoring and reporting the NO_x emissions rate and the heat input of the unit under 9 VAC 5-140-1840 B 1 a.

a. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

4. Notwithstanding subdivisions 1 through 3 of this definition, for a unit not serving a generator producing electricity for sale, the unit's date of commencement of operation shall also be the unit's date of commencement of commercial operation.

"Commence operation" means:

1. To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in 9 VAC 5-140-1050.

a. For a unit that is a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit that is a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-1050, for a unit that is not a CAIR NO_x unit under 9 VAC 5-140-1040 on the date the unit commences operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3 of this definition, the unit's date for commencement of operation shall be the date on which the unit becomes a CAIR NO_x

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unit under 9 VAC 5-140-1040.

a. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-1840 H or 9 VAC 5-140-1870 B 3, for a CAIR NO_x opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, the unit's date for commencement of operation shall be the date on which the owner or operator is required to start monitoring and reporting the NO_x emissions rate and the heat input of the unit under 9 VAC 5-140-1840 B 1 a.

a. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

"Common stack" means a single flue through which emissions from 2 or more units are exhausted.

"Compliance account" means a CAIR NO_x Allowance Tracking System account, established by the administrator for a CAIR NO_x source under Article 16 (9 VAC 5-140-1500 et seq.) or Article 19 (9 VAC 5-140-1800 et seq.) of this part, in which any CAIR NO_x allowance allocations for the CAIR NO_x units at the source are initially recorded and in which are held any CAIR NO_x allowances available for use for a control period in order to meet the source's CAIR NO_x emissions limitation in accordance with 9 VAC 5-140-1540.

"Continuous emission monitoring system" or "CEMS" means the equipment required under Article 18 (9 VAC 5-140-1700 et seq.) of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of nitrogen oxides emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with 40 CFR Part 75. The following systems are the principal types of continuous emission monitoring systems required under Article 18 (9 VAC 5-140-1700 et seq.) of this part:

1. A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

2. A nitrogen oxides concentration monitoring system, consisting of a NO_x pollutant concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of NO_x emissions, in parts per million (ppm);

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3. A nitrogen oxides emission rate (or NO_x-diluent) monitoring system, consisting of a NO_x pollutant concentration monitor, a diluent gas (CO₂ or O₂) monitor, and an automated data acquisition and handling system and providing a permanent, continuous record of NO_x concentration, in parts per million (ppm), diluent gas concentration, in percent CO₂ or O₂, and NO_x emission rate, in pounds per million British thermal units (lb/mmBtu);

4. A moisture monitoring system, as defined in 40 CFR 75.11(b)(2) and providing a permanent, continuous record of the stack gas moisture content, in percent H₂O;

5. A carbon dioxide monitoring system, consisting of a CO₂ pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO₂ concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO₂ emissions, in percent CO₂; and

6. An oxygen monitoring system, consisting of an O₂ concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O₂, in percent O₂.

"Control period" means the period beginning January 1 of a calendar year, except as provided in 9 VAC 5-140-1060 C 2, and ending on December 31 of the same year, inclusive.

"Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the administrator by the CAIR designated representative and as determined by the administrator in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part.

"Excess emissions" means any ton of nitrogen oxides emitted by the CAIR NO_x units at a CAIR NO_x source during a control period that exceeds the CAIR NO_x emissions limitation for the source.

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

"Fossil-fuel-fired" means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

"Fuel oil" means any petroleum-based fuel (including diesel fuel or petroleum derivatives such as oil tar) and any recycled or blended petroleum products or petroleum by-products used as a fuel whether in a liquid, solid, or gaseous state.

"General account" means a CAIR NO_x Allowance Tracking System account, established under Article 16 (9 VAC 5-140-1500 et seq.) of this part, that is not a compliance account.

"Generator" means a device that produces electricity.

"Gross electrical output" means, with regard to a cogeneration unit, electricity made available for use, including any such electricity used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

"Heat input" means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the administrator by the CAIR designated representative and determined by the administrator in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

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"Heat input rate" means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

"Implementation plan" means the portion or portions of the state implementation plan, or the most recent revision thereof, which has been approved in subpart VV of 40 CFR Part 52 by the administrator under § 110 of the CAA, or promulgated under § 110(c) of the CAA, or promulgated or approved pursuant to regulations promulgated under § 301(d) of the CAA and which implements the relevant requirements of the CAA.

"Life-of-the-unit, firm power contractual arrangement" means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

1. For the life of the unit;
2. For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
3. For a period no less than 25 years or 70% of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

"Maximum design heat input" means, starting from the initial installation of a unit, the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as specified by the manufacturer of the unit, or, starting from the completion of any subsequent physical change in the unit resulting in a decrease in the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis, such decreased maximum amount as specified by the person conducting the physical change.

"Monitoring system" means any monitoring system that meets the requirements of Article 18 (9 VAC 5-140-1700 et seq.) of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under 40 CFR Part 75.

"Most stringent state or federal NO_x emissions limitation" means the lowest NO_x emissions limitation (in lb/mmBtu) that is applicable to the unit under the Virginia Air Pollution Control Law or federal law, regardless of the averaging period to which the emissions limitation applies. In cases where a unit is subject to a permit which provides for the use of multiple fuels, the primary fuel shall be used as the basis to determine the most stringent state or federal NO_x emissions limitation. The primary fuel shall be the fuel designated in the permit as such or as having the greatest throughput.

"Nameplate capacity" means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as specified by the person conducting the physical change.

"Nonattainment condition" means a condition where any area is shown by air quality monitoring data or which is shown by an air quality impact analysis (using modeling or other methods determined by the board to be reliable) to exceed the levels allowed by the ambient air quality standard for a given pollutant, regardless of whether such demonstration is based on current or projected emissions data.

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“Oil-fired” means, for purposes of Article 15 (9 VAC 5-140-1400 et seq.) of this part, combusting fuel oil for more than 15.0% of the annual heat input in a specified year and not qualifying as coal-fired.

“Operator” means any person who operates, controls, or supervises a CAIR NO_x unit or a CAIR NO_x source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

“Owner” means any of the following persons:

1. With regard to a CAIR NO_x source or a CAIR NO_x unit at a source, respectively:

a. Any holder of any portion of the legal or equitable title in a CAIR NO_x unit at the source or the CAIR NO_x unit;

b. Any holder of a leasehold interest in a CAIR NO_x unit at the source or the CAIR NO_x unit; or

c. Any purchaser of power from a CAIR NO_x unit at the source or the CAIR NO_x unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR NO_x unit; or

2. With regard to any general account, any person who has an ownership interest with respect to the CAIR NO_x allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR NO_x allowances.

“Permitting authority” means the State Air Pollution Control Board.

“Potential electrical output capacity” means 33.0% of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

“Receive” or “receipt of” means, when referring to the permitting authority or the administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official correspondence log, or by a notation made on the document, information, or correspondence, by the permitting authority or the administrator in the regular course of business.

“Recordation,” “record,” or “recorded” means, with regard to CAIR NO_x allowances, the movement of CAIR NO_x allowances by the administrator into or between CAIR NO_x Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

“Reference method” means any direct test method of sampling and analyzing for an air pollutant as specified in 40 CFR 75.22.

“Repowered” means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

1. Atmospheric or pressurized fluidized bed combustion;

2. Integrated gasification combined cycle;

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3. Magnetohydrodynamics;

4. Direct and indirect coal-fired turbines;

5. Integrated gasification fuel cells; or

6. As determined by the administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under subdivisions 1 through 5 of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

"Serial number" means, for a CAIR NO_x allowance, the unique identification number assigned to each CAIR NO_x allowance by the administrator.

"Sequential use of energy" means:

1. For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or

2. For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

"Source" means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of § 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

"State" means the Commonwealth of Virginia. The term "state" shall have its conventional meaning where such meaning is clear from the context.

"State operating permit" means a permit issued under Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"State operating permit regulations" means the regulations codified in Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Submit or serve" means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

1. In person;

2. By United States Postal Service; or

3. By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

"Title V operating permit" means a permit issued under Article 1 (9 VAC 5-80-50 et seq.) or Article 3 (9 VAC 5-80-360 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Title V operating permit regulations" means the regulations codified in Article 1 (9 VAC 5-80-50 et seq.), Article 2 (9 VAC 5-80-310 et seq.), Article 3 (9 VAC 5-80-360 et seq.), and Article 4 (9 VAC 5-80-710 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Ton" means 2,000 pounds. For the purpose of determining compliance with the CAIR NO_x

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emissions limitation, total tons of nitrogen oxides emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

“Topping-cycle cogeneration unit” means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

“Total energy input” means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself.

“Total energy output” means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

“Unit” means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

“Unit operating day” means a calendar day in which a unit combusts any fuel.

“Unit operating hour” or “hour of unit operation” means an hour in which a unit combusts any fuel.

“Useful power” means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

“Useful thermal energy” means, with regard to a cogeneration unit, thermal energy that is:

1. Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

2. Used in a heating application (e.g., space heating or domestic hot water heating); or

3. Used in a space cooling application (i.e., thermal energy used by an absorption chiller).

“Utility power distribution system” means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

9 VAC 5-140-1030. Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu-British thermal unit.

CO₂-carbon dioxide.

NO_x-nitrogen oxides.

hr-hour.

kW-kilowatt electrical.

kWh-kilowatt hour.

mmBtu-million Btu.

MWe-megawatt electrical.

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MWh-megawatt hour.

O₂-oxygen.

ppm-parts per million.

lb-pound.

scfh-standard cubic feet per hour.

SO₂-sulfur dioxide.

H₂O-water.

yr-year.

9 VAC 5-140-1040. Applicability.

The following units shall be CAIR NO_x units, and any source that includes one or more such units shall be a CAIR NO_x source, subject to the requirements of this article and Article 12 (9 VAC 5-140-1100 et seq.) through Article 18 (9 VAC 5-140-1700 et seq.) of this part:

A. Except as provided in subsection B of this section, a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.

B. For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MWe and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to subsection A of this section starting on the day on which the unit first no longer qualifies as a cogeneration unit.

9 VAC 5-140-1050. Retired unit exemption.

A.1. Any CAIR NO_x unit that is permanently retired and is not a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of this part shall be exempt from the CAIR NO_x Annual Trading Program, except for the provisions of this section, , 9 VAC 5-140-1020, 9 VAC 5-140-1030, 9 VAC 5-140-1040, 9 VAC 5-140-1060 C 4 through 7, 9 VAC 5-140-1070, Article 12 (9 VAC 5-140-1100 et seq.), and Article 15 (9 VAC 5-140-1400 et seq.) through Article 17 (9 VAC 5-140-1600 et seq.) of this part.

2. The exemption under subdivision 1 of this subsection shall become effective the day on which the CAIR NO_x unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the administrator. The statement shall state, in a format acceptable to the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of subsection B of this section.

3. After receipt of the statement under subdivision 2 of this subsection, the permitting authority will amend any permit under Article 13 (9 VAC 5-140-1200 et seq.) of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under subdivision 1 of this subsection and subsection B of this section.

B. Special provisions for exempt units shall be as follows:

1. A unit exempt under subsection A of this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect.

2. The permitting authority will allocate CAIR NO_x allowances under Article 15 (9 VAC 5-

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140-1400 et seq.) of this part to a unit exempt under subsection A of this section.

3. For a period of five years from the date the records are created, the owners and operators of a unit exempt under subsection A of this section shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

4. The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under subsection A of this section shall comply with the requirements of the CAIR NO_x Annual Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

5. A unit exempt under subsection A of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under 9 VAC 5-140-1220 for the unit not less than 18 months (or such lesser time acceptable to the permitting authority) before the later of January 1, 2009 or the date on which the unit resumes operation.

6. On the earlier of the following dates, a unit exempt under subsection A of this section shall lose its exemption:

a. The date on which the CAIR designated representative submits a CAIR permit application for the unit under subdivision 5 of this subsection;

b. The date on which the CAIR designated representative is required under subdivision 5 of this subsection to submit a CAIR permit application for the unit; or

c. The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

7. For the purpose of applying monitoring, reporting, and recordkeeping requirements under Article 18 (9 VAC 5-140-1700 et seq.) of this part, a unit that loses its exemption under subsection A of this section shall be treated as a unit that commences operation and commercial operation on the first date on which the unit resumes operation.

9 VAC 5-140-1060. Standard requirements.

A. Permit requirements shall be as follows:

1. The CAIR designated representative of each CAIR NO_x source required to have a title V operating permit and each CAIR NO_x unit required to have a title V operating permit at the source shall:

a. Submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-1220 in accordance with the deadlines specified in 9 VAC 5-140-1210; and

b. Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

2. The owners and operators of each CAIR NO_x source required to have a title V operating permit and each CAIR NO_x unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under Article 13 (9 VAC 5-140-1200 et seq.) of this part for the source and operate the source and the unit in compliance with such CAIR permit.

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3. Except as provided in Article 19 (9 VAC 5-140-1800 et seq.) of this part, the owners and operators of a CAIR NO_x source that is not otherwise required to have a title V operating permit and each CAIR NO_x unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under Article 13 (9 VAC 5-140-1200 et seq.) of this part for such CAIR NO_x source and such CAIR NO_x unit.

B. Monitoring, reporting, and recordkeeping shall be performed as follows:

1. The owners and operators, and the CAIR designated representative, of each CAIR NO_x source and each CAIR NO_x unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of Article 18 (9 VAC 5-140-1700 et seq.) of this part.

2. The emissions measurements recorded and reported in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part shall be used to determine compliance by each CAIR NO_x source with the CAIR NO_x emissions limitation under subsection C of this section.

C. Nitrogen oxides emission requirements shall be as follows:

1. As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_x source and each CAIR NO_x unit at the source shall hold, in the source's compliance account, CAIR NO_x allowances available for compliance deductions for the control period under 9 VAC 5-140-1540 A in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_x units at the source, as determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part.

2. A CAIR NO_x unit shall be subject to the requirements under subdivision 1 of this subsection for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-1700 B 1, 2, or 5 and for each control period thereafter.

3. A CAIR NO_x allowance shall not be deducted, for compliance with the requirements under subdivision 1 of this subsection, for a control period in a calendar year before the year for which the CAIR NO_x allowance was allocated.

4. CAIR NO_x allowances shall be held in, deducted from, or transferred into or among CAIR NO_x Allowance Tracking System accounts in accordance with Article 15 (9 VAC 5-140-1400 et seq.) of this part.

5. A CAIR NO_x allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Annual Trading Program. No provision of the CAIR NO_x Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-1050 and no provision of law shall be construed to limit the authority of the state or the United States to terminate or limit such authorization.

6. A CAIR NO_x allowance does not constitute a property right.

7. Upon recordation by the administrator under Article 16 (9 VAC 5-140-1500 et seq.), Article 17 (9 VAC 5-140-1600 et seq.), or Article 19 (9 VAC 5-140-1800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR NO_x allowance to or from a CAIR NO_x unit's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR NO_x unit.

D. If a CAIR NO_x source emits nitrogen oxides during any control period in excess of the CAIR NO_x emissions limitation, then:

1. The owners and operators of the source and each CAIR NO_x unit at the source shall

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surrender the CAIR NO_x allowances required for deduction under 9 VAC 5-140-1540 D 1 and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or the Virginia Air Pollution Control Law; and

2. Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this article, the Clean Air Act, and the Virginia Air Pollution Control Law.

E. Recordkeeping and reporting shall be performed as follows:

1. Unless otherwise provided, the owners and operators of the CAIR NO_x source and each CAIR NO_x unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time before the end of five years, in writing by the permitting authority or the administrator.

a. The certificate of representation under 9 VAC 5-140-1130 for the CAIR designated representative for the source and each CAIR NO_x unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under 9 VAC 5-140-1130 changing the CAIR designated representative.

b. All emissions monitoring information, in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, provided that to the extent that Article 18 (9 VAC 5-140-1700 et seq.) of this part provides for a 3-year period for recordkeeping, the 3-year period shall apply.

c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO_x Annual Trading Program.

d. Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_x Annual Trading Program or to demonstrate compliance with the requirements of the CAIR NO_x Annual Trading Program.

2. The CAIR designated representative of a CAIR NO_x source and each CAIR NO_x unit at the source shall submit the reports required under the CAIR NO_x Annual Trading Program, including those under Article 18 (9 VAC 5-140-1700 et seq.) of this part.

F. Liability shall be assigned as follows:

1. Each CAIR NO_x source and each CAIR NO_x unit shall meet the requirements of the CAIR NO_x Annual Trading Program.

2. Any provision of the CAIR NO_x Annual Trading Program that applies to a CAIR NO_x source or the CAIR designated representative of a CAIR NO_x source shall also apply to the owners and operators of such source and of the CAIR NO_x units at the source.

3. Any provision of the CAIR NO_x Annual Trading Program that applies to a CAIR NO_x unit or the CAIR designated representative of a CAIR NO_x unit shall also apply to the owners and operators of such unit.

G. No provision of the CAIR NO_x Annual Trading Program, a CAIR permit application, a CAIR permit, or an exemption under 9 VAC 5-140-1050 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO_x source or CAIR NO_x unit from compliance with any other provision of the applicable implementation plan, a state operating permit, the Virginia Air Pollution Control Law, or the Clean Air Act.

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H. The following requirements apply to any CAIR NO_x unit or CAIR NO_x source located in a nonattainment area designated in 9 VAC 5-20-204:

1. No owner, operator or other person shall cause or permit to be discharged into the atmosphere from any CAIR NO_x unit or CAIR NO_x source any NO_x emissions in excess of the NO_x allowances allocated for the CAIR NO_x unit or CAIR NO_x source in accordance with 9 VAC 5-140-1420.

2. A CAIR NO_x unit or CAIR NO_x source shall be subject to the requirements under subdivision 1 of this subsection for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-1700 B 1, 2, or 5 and for each control period thereafter.

3. No NO_x allowances other than those issued to a CAIR NO_x unit or CAIR NO_x source in accordance with 9 VAC 5-140-1420 may be used to demonstrate compliance with the emission standard in subdivision 1 of this subsection. Compliance with this subsection shall be demonstrated annually, based on a comparison of (i) the total NO_x emissions (expressed in tons) from each CAIR NO_x unit during the preceding control period, as determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part and (ii) the number of NO_x allowances (expressed in tons) allocated for the CAIR NO_x unit for the preceding control period in accordance with 9 VAC 5-140-1420. However, this subsection does not otherwise prohibit any CAIR NO_x unit or CAIR NO_x source from participating in the CAIR NO_x Annual Trading Program.

4. If the board determines that the provisions of this subsection may be waived for a CAIR NO_x unit or CAIR NO_x source without the CAIR NO_x unit or CAIR NO_x source causing or contributing to a violation of any air quality standard or a nonattainment condition, the board may issue a state operating permit granting relief from the requirements of this subsection. The board may include in any permit issued to implement this subdivision any terms and conditions the board determines are necessary to ensure that the CAIR NO_x unit or CAIR NO_x source will not cause or contribute to a violation of any air quality standard or a nonattainment condition.

I. Nothing in this article shall prevent the board from issuing a state operating permit in order to:

1. Cap the emissions of a CAIR NO_x unit or CAIR NO_x source contributing to a violation of any air quality standard or a nonattainment condition;

2. Remedy a situation that may cause or contribute to nonattainment condition or the endangerment of human health or welfare; or

3. Establish a source-specific emission standard or other requirements necessary to implement the federal Clean Air Act or the Virginia Air Pollution Control Law.

J. Nothing in this article shall prevent the board from including in any permit issued to implement subsection I of this section any terms and conditions that would prohibit any CAIR NO_x unit or CAIR NO_x source subject to this article from engaging in any emissions trading activities or using any emissions credits obtained from emissions reductions external to the CAIR NO_x unit or CAIR NO_x source to comply with the requirements of this article.

9 VAC 5-140-1070. Computation of time.

A. Unless otherwise stated, any time period scheduled, under the CAIR NO_x Annual Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

B. Unless otherwise stated, any time period scheduled, under the CAIR NO_x Annual Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

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C. Unless otherwise stated, if the final day of any time period, under the CAIR NO_x Annual Trading Program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.

9 VAC 5-140-1080. Appeal Procedures.

The appeal procedures for decisions of the administrator under the CAIR NO_x Annual Trading Program are set forth in 40 CFR Part 78.

Article 12.

CAIR Designated Representative for CAIR NO_x Sources.

9 VAC 5-140-1100. Authorization and responsibilities of CAIR designated representative.

A. Except as provided under 9 VAC 5-140-1110, each CAIR NO_x source, including all CAIR NO_x units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR NO_x Annual Trading Program concerning the source or any CAIR NO_x unit at the source.

B. The CAIR designated representative of the CAIR NO_x source shall be selected by an agreement binding on the owners and operators of the source and all CAIR NO_x units at the source and shall act in accordance with the certification statement in 9 VAC 5-140-1130 A 4 d.

C. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-1130, the CAIR designated representative of the source shall represent and, by the CAIR designated representative's representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR NO_x source represented and each CAIR NO_x unit at the source in all matters pertaining to the CAIR NO_x Annual Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the administrator, or a court regarding the source or unit.

D. No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR NO_x Allowance Tracking System account will be established for a CAIR NO_x unit at a source, until the administrator has received a complete certificate of representation under 9 VAC 5-140-1130 for a CAIR designated representative of the source and the CAIR NO_x units at the source.

E.1. Each submission under the CAIR NO_x Annual Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR NO_x source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

2. The permitting authority and the administrator will accept or act on a submission made on behalf of owner or operators of a CAIR NO_x source or a CAIR NO_x unit only if the submission has been made, signed, and certified in accordance with subdivision 1 of this subsection.

9 VAC 5-140-1110. Alternate CAIR designated representative.

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A. A certificate of representation under 9 VAC 5-140-1130 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

B. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-1130, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

C. Except in this section and 9 VAC 5-140-1020, 9 VAC 5-140-1100 A and D, 9 VAC 5-140-1120, 9 VAC 5-140-1130, 9 VAC 5-140-1510, and 9 VAC 5-140-1820, whenever the term "CAIR designated representative" is used in this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

9 VAC 5-140-1120. Changing CAIR designated representative and alternate CAIR designated representative: changes in owners and operators.

A. The CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-1130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR NO_x source and the CAIR NO_x units at the source.

B. The alternate CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-1130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR NO_x source and the CAIR NO_x units at the source.

C. Changes in owners and operators shall be established as follows:

1. In the event a new owner or operator of a CAIR NO_x source or a CAIR NO_x unit is not included in the list of owners and operators in the certificate of representation under 9 VAC 5-140-1130, such new owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the administrator, or a court, as if the new owner or operator were included in such list.

2. Within 30 days following any change in the owners and operators of a CAIR NO_x source or a CAIR NO_x unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under 9 VAC 5-140-1130 amending the list of owners and operators to include the change.

9 VAC 5-140-1130. Certificate of representation.

A. A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the administrator:

1. Identification of the CAIR NO_x source, and each CAIR NO_x unit at the source, for which

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the certificate of representation is submitted.

2. The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

3. A list of the owners and operators of the CAIR NO_x source and of each CAIR NO_x unit at the source.

4. The following certification statements by the CAIR designated representative and any alternate CAIR designated representative--

a. "I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR NO_x unit at the source."

b. "I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO_x Annual Trading Program on behalf of the owners and operators of the source and of each CAIR NO_x unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions."

c. "I certify that the owners and operators of the source and of each CAIR NO_x unit at the source shall be bound by any order issued to me by the administrator, the permitting authority, or a court regarding the source or unit."

d. "Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR NO_x unit, or where a customer purchases power from a CAIR NO_x unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the 'CAIR designated representative' or 'alternate CAIR designated representative', as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR NO_x unit at the source; and CAIR NO_x allowances and proceeds of transactions involving CAIR NO_x allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR NO_x allowances by contract, CAIR NO_x allowances and proceeds of transactions involving CAIR NO_x allowances will be deemed to be held or distributed in accordance with the contract."

5. The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

B. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

9 VAC 5-140-1140. Objections concerning CAIR designated representative.

A. Once a complete certificate of representation under 9 VAC 5-140-1130 has been submitted and received, the permitting authority and the administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under 9 VAC 5-140-1130 is received by the administrator.

B. Except as provided in 9 VAC 5-140-1120 A or B, no objection or other communication submitted to the permitting authority or the administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the

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permitting authority or the administrator under the CAIR NO_x Annual Trading Program.

C. Neither the permitting authority nor the administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR NO_x allowance transfers.

Article 13.
Permits.

9 VAC 5-140-1200. General CAIR Annual Trading Program permit requirements.

A. For each CAIR NO_x source required to have a title V operating permit or required, under Article 19 (9 VAC 5-140-1800 et seq.) of this part, to have a title V operating permit or state operating permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the state operating permit as applicable. The CAIR portion of the title V permit or state operating permit as applicable shall be administered in accordance with the permitting authority's title V operating permit regulations or regulations for state operating permits as applicable, except as provided otherwise by this article and Article 19 (9 VAC 5-140-1800 et seq.) of this part.

B. Each CAIR permit shall contain, with regard to the CAIR NO_x source and the CAIR NO_x units at the source covered by the CAIR permit, all applicable CAIR NO_x Annual Trading Program, CAIR NO_x Ozone Season Trading Program, and CAIR SO₂ Trading Program requirements and shall be a complete and separable portion of the title V operating permit or state operating permit under subsection A of this section.

9 VAC 5-140-1210. Submission of CAIR permit applications.

A. The CAIR designated representative of any CAIR NO_x source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-1220 for the source covering each CAIR NO_x unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the CAIR NO_x unit commences operation.

B. For a CAIR NO_x source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under 9 VAC 5-140-1220 for the source covering each CAIR NO_x unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permit regulations addressing permit renewal.

9 VAC 5-140-1220. Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR NO_x source for which the application is submitted, in a format acceptable to the permitting authority:

- A. Identification of the CAIR NO_x source;
- B. Identification of each CAIR NO_x unit at the CAIR NO_x source; and
- C. The standard requirements under 9 VAC 5-140-1060.

9 VAC 5-140-1230. CAIR permit contents and term.

A. Each CAIR permit will contain, in a format acceptable to the permitting authority, all elements required for a complete CAIR permit application under 9 VAC 5-140-1220.

B. Each CAIR permit is deemed to incorporate automatically the definitions of terms under 9 VAC

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5-140-1020 and, upon recordation by the administrator under Article 16 (9 VAC 5-140-1500 et seq.), Article 17 (9 VAC 5-140-1600 et seq.), or Article 19 (9 VAC 5-140-1800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR NO_x allowance to or from the compliance account of the CAIR NO_x source covered by the permit.

C. The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR NO_x source's title V operating permit or state operating permit as applicable.

9 VAC 5-140-1240. CAIR permit revisions.

Except as provided in 9 VAC 5-140-1230 B, the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permit regulations or the permitting authority's regulations for state operating permits as applicable addressing permit revisions.

Article 14.
[Reserved].

Article 15.
CAIR NO_x Allowance Allocations.

9 VAC 5-140-1400. State trading budgets.

The state trading budgets for annual allocations of CAIR NO_x allowances for the control periods are as follows:

A. For use in each control period in 2009 through 2014, the total number of NO_x tons apportioned to all CAIR NO_x units is 36,074.

B. For use in each control period in 2015 and thereafter, the total number of NO_x tons apportioned to all CAIR NO_x units is 30,062.

9 VAC 5-140-1410. Timing requirements for CAIR NO_x allowance allocations.

A. By October 31, 2006, the permitting authority will submit to the administrator the CAIR NO_x allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-1420 A and B, for the control periods in 2009, 2010, 2011, 2012, and 2013.

B.1. By October 31, 2009 and October 31 of each year thereafter, the permitting authority will submit to the administrator the CAIR NO_x allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-1420 A and B, for the control period in the fifth year after the year of the applicable deadline for submission under this subsection.

2. If the permitting authority fails to submit to the administrator the CAIR NO_x allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83.0% of the allocations for the control period that immediately precedes the applicable control period.

C.1. By October 31, 2009, the permitting authority will submit to the administrator the CAIR NO_x allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-1420 A, C, and E, for the control periods in 2009, 2010, 2011, 2012, and 2013.

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2. If the permitting authority fails to submit to the administrator the CAIR NO_x allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83% of the allocations for the control period that immediately precedes the applicable control period and except that any CAIR NO_x unit that would otherwise be allocated CAIR NO_x allowances under 9 VAC 5-140-1420 A and B, as well as under 9 VAC 5-140-1420 A, C, and E, for the applicable control period will be assumed to be allocated no CAIR NO_x allowances under 9 VAC 5-140-1420 A, C, and E for the applicable control period.

D.1. By October 31, 2014 and October 31 of each year thereafter, the permitting authority will submit to the administrator the CAIR NO_x allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-1420 A, D, and E, for the control period in the year of the applicable deadline for submission under this subsection.

2. If the permitting authority fails to submit to the administrator the CAIR NO_x allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83.0% of the allocations for the control period that immediately precedes the applicable control period and except that any CAIR NO_x unit that would otherwise be allocated CAIR NO_x allowances under 9 VAC 5-140-1420 A and B, as well as under § 9 VAC 5-140-1420 A, D, and E, for the applicable control period will be assumed to be allocated no CAIR NO_x allowances under 9 VAC 5-140-1420 A, D, and E for the applicable control period.

9 VAC 5-140-1420. CAIR NO_x allowance allocations.

A.1. The baseline heat input (in mmBtu) used with respect to CAIR NO_x allowance allocations under subsection B of this section for each CAIR NO_x unit will be:

a. For units commencing operation before January 1, 2006, the average of the three highest amounts of the unit's control period heat input for the five years prior to the allocation year. For units operating each calendar year during a period of at least one but less than five consecutive calendar years, one year or, where available, the average of the two highest amounts of the unit's control period heat input over the consecutive years of operation.

b. For units commencing operation on or after January 1, 2006:

(1) For units operating each calendar year during a period of five or more consecutive calendar years, the average of the three highest amounts of the unit's total converted control period heat input over the most recent five years prior to the allocation year.

(2) For units operating each calendar year during a period of at least three but less than five consecutive calendar years, the average of the three highest amounts of the unit's total converted control period heat input over the consecutive years of operation.

(3) For units operating each calendar year during a period of at least one but less than five consecutive calendar years, one year or, where available, the average of the two highest amounts of the unit's control period heat input over the consecutive years of operation.

2.a. A unit's control period heat input for a calendar year under subdivision 1 a of this subsection, and a unit's total tons of NO_x emissions during a calendar year under subdivision C 3 of this section, will be determined in accordance with 40 CFR Part 75, to the extent the unit was otherwise subject to the requirements of 40 CFR Part 75 for the year, or will be based on the best available data reported to

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the permitting authority for the unit, to the extent the unit was not otherwise subject to the requirements of 40 CFR Part 75 for the year.

b. A unit's converted control period heat input for a calendar year specified under subdivision 1 b of this section equals:

(1) Except as provided in subdivision (2) of this subdivision, the control period gross electrical output of the generator or generators served by the unit multiplied by 7,900 Btu/kWh and divided by 1,000,000 Btu/mmBtu, provided that if a generator is served by two or more units, then the gross electrical output of the generator will be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the year;

(2) For a unit that has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the control period gross electrical output of the unit multiplied by 7,900 Btu/kWh plus the useful thermal energy (in Btu) produced during the control period, divided by 0.8 and by 1,000,000 Btu/mmBtu.

B.1. For each control period in 2009 and thereafter, the permitting authority will allocate to all CAIR NO_x units that have a baseline heat input (as determined under subsection A of this section) a total amount of CAIR NO_x allowances equal to 95.0% for a control period during 2009 through 2013, and 98.0% for a control period during 2014 and thereafter, of the tons of NO_x emissions in the state trading budget under 9 VAC 5-140-1400 (except as provided in subsection E of this section).

2. The permitting authority will allocate CAIR NO_x allowances to each CAIR NO_x unit under subdivision 1 of this subsection in an amount determined by multiplying the total amount of CAIR NO_x allowances allocated under subdivision 1 of this subsection by the ratio of the baseline heat input of such CAIR NO_x unit to the total amount of baseline heat input of all such CAIR NO_x units and rounding to the nearest whole allowance as appropriate.

C. For each control period in 2009 through 2013, the permitting authority will allocate CAIR NO_x allowances to CAIR NO_x units that commenced operation on or after January 1, 2006 and do not yet have a baseline heat input (as determined under subsection A of this section), in accordance with the following procedures:

1. The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO_x allowances equal to 5.0% of the amount of tons of NO_x emissions in the state trading budget under 9 VAC 5-140-1400.

2. The CAIR designated representative of such a CAIR NO_x unit may submit to the permitting authority a request, in a format acceptable to the permitting authority, to be allocated CAIR NO_x allowances, starting with the control period in 2009 and until the later of the control period 2014 or the first control period for which the unit is allocated CAIR NO_x allowances under subsection B of this section. The CAIR NO_x allowance allocation request shall be submitted on or before July 1 of the first control period for which the CAIR NO_x allowances are requested and after the date on which the CAIR NO_x unit commences commercial operation.

3. In a CAIR NO_x allowance allocation request under subdivision 2 of this subsection, the CAIR designated representative may request for a control period CAIR NO_x allowances in an amount not exceeding the CAIR NO_x unit's total tons of NO_x emissions during the calendar year immediately before such control period.

4. The permitting authority will review each CAIR NO_x allowance allocation request under subdivision 2 of this subsection and will allocate CAIR NO_x allowances for each control period pursuant to such request as follows:

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a. The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of subdivisions 2 and 3 of this subsection.

b. On or after July 1 of the control period, the permitting authority will determine the sum of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) in all allowance allocation requests accepted under subdivision a of this subdivision for the control period.

c. If the amount of CAIR NO_x allowances in the new unit set-aside for the control period is greater than or equal to the sum under subdivision b of this subdivision, then the permitting authority will allocate the amount of CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) to each CAIR NO_x unit covered by an allowance allocation request accepted under subdivision a of this subdivision.

d. If the amount of CAIR NO_x allowances in the new unit set-aside for the control period is less than the sum under subdivision b of this subdivision, then the permitting authority will allocate to each CAIR NO_x unit covered by an allowance allocation request accepted under subdivision a of this subdivision the amount of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision), multiplied by the amount of CAIR NO_x allowances in the new unit set-aside for the control period, divided by the sum determined under subdivision b of this subdivision, and rounded to the nearest whole allowance as appropriate.

e. The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO_x allowances (if any) allocated for the control period to the CAIR NO_x unit covered by the request.

D. For each control period in 2014 and thereafter, the permitting authority will allocate CAIR NO_x allowances to CAIR NO_x units that commenced operation on or after January 1, 2006 and do not yet have a baseline heat input (as determined under subsection A of this section), in accordance with the following procedures:

1. The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO_x allowances equal to 2.0% of the amount of tons of NO_x emissions in the state trading budget under 9 VAC 5-140-1400.

2. The CAIR designated representative of such a CAIR NO_x unit may submit to the permitting authority a request, in a format acceptable to the permitting authority, to be allocated CAIR NO_x allowances, starting with the later of the control period in 2014 or the first control period after the control period in which the CAIR NO_x unit commences commercial operation and until the first control period for which the unit is allocated CAIR NO_x allowances under subsection B of this section. The CAIR NO_x allowance allocation request shall be submitted on or before July 1 of the first control period for which the CAIR NO_x allowances are requested and after the date on which the CAIR NO_x unit commences commercial operation.

3. In a CAIR NO_x allowance allocation request under subdivision 2 of this subsection, the CAIR designated representative may request for a control period CAIR NO_x allowances in an amount not exceeding the CAIR NO_x unit's total tons of NO_x emissions during the calendar year immediately before such control period.

4. The permitting authority will review each CAIR NO_x allowance allocation request under subdivision 2 of this subsection and will allocate CAIR NO_x allowances for each control period pursuant to such request as follows:

a. The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of

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subdivisions 2 and 3 of this subsection.

b. On or after July 1 of the control period, the permitting authority will determine the sum of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) in all allowance allocation requests accepted under subdivision a of this subdivision for the control period.

c. If the amount of CAIR NO_x allowances in the new unit set-aside for the control period is greater than or equal to the sum under subdivision b of this subdivision, then the permitting authority will allocate the amount of CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) to each CAIR NO_x unit covered by an allowance allocation request accepted under subdivision a of this subdivision.

d. If the amount of CAIR NO_x allowances in the new unit set-aside for the control period is less than the sum under subdivision b of this subdivision, then the permitting authority will allocate to each CAIR NO_x unit covered by an allowance allocation request accepted under subdivision a of this subdivision the amount of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision), multiplied by the amount of CAIR NO_x allowances in the new unit set-aside for the control period, divided by the sum determined under subdivision b of this subdivision, and rounded to the nearest whole allowance as appropriate.

e. The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO_x allowances (if any) allocated for the control period to the CAIR NO_x unit covered by the request.

E. If, after completion of the procedures under subdivision C 4 of this section for a control period, any unallocated CAIR NO_x allowances remain in the new unit set-aside for the control period, the permitting authority will allocate to each CAIR NO_x unit that was allocated CAIR NO_x allowances under subsection B of this section an amount of CAIR NO_x allowances equal to the total amount of such remaining unallocated CAIR NO_x allowances, multiplied by the unit's allocation under subsection B of this section, divided by 95.0% for a control period during 2009 through 2014, and 98.0% for a control period during 2015 and thereafter, of the amount of tons of NO_x emissions in the state trading budget under 9 VAC 5-140-1400, and rounded to the nearest whole allowance as appropriate.

F. For each control period in 2009 and thereafter, the permitting authority will establish an annual voluntary public health set-aside. Any allowances contributed to the public health set-aside will be permanently retired and will not be available for compliance for any affected unit.

9 VAC 5-140-1430. Compliance supplement pool.

A. In addition to the CAIR NO_x allowances allocated under 9 VAC 5-140-1420, the permitting authority may allocate for the control period in 2009 up to 5,134 CAIR NO_x allowances to CAIR NO_x units.

B. For any CAIR NO_x unit that achieves NO_x emission reductions in 2007 and 2008 that are not necessary to comply with any state or federal emissions limitation applicable during such years, the CAIR designated representative of the unit may request early reduction credits, and allocation of CAIR NO_x allowances from the compliance supplement pool under subsection A of this section for such early reduction credits, in accordance with the following:

1. The owners and operators of such CAIR NO_x unit shall monitor and report the NO_x emissions rate and the heat input of the unit in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part in each control period for which early reduction credit is requested.

2. The CAIR designated representative of such CAIR NO_x unit shall submit to the permitting authority by July 1, 2009 a request, in a format acceptable to the permitting authority, for allocation of an amount of CAIR NO_x allowances from the compliance supplement pool not exceeding the sum of the

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amounts (in tons) of the unit's NO_x emission reductions in 2007 and 2008 that are not necessary to comply with any state or federal emissions limitation applicable during such years, determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part.

C. For any CAIR NO_x unit whose compliance with CAIR NO_x emissions limitation for the control period in 2009 would create an undue risk to the reliability of electricity supply during such control period, the CAIR designated representative of the unit may request the allocation of CAIR NO_x allowances from the compliance supplement pool under subsection A of this section, in accordance with the following:

1. The CAIR designated representative of such CAIR NO_x unit shall submit to the permitting authority by July 1, 2009 a request, in a format acceptable to the permitting authority, for allocation of an amount of CAIR NO_x allowances from the compliance supplement pool not exceeding the minimum amount of CAIR NO_x allowances necessary to remove such undue risk to the reliability of electricity supply.

2. In the request under subdivision 1 of this subsection, the CAIR designated representative of such CAIR NO_x unit shall demonstrate that, in the absence of allocation to the unit of the amount of CAIR NO_x allowances requested, the unit's compliance with CAIR NO_x emissions limitation for the control period in 2009 would create an undue risk to the reliability of electricity supply during such control period. This demonstration shall include a showing that it would not be feasible for the owners and operators of the unit to:

a. Obtain a sufficient amount of electricity from other electricity generation facilities, during the installation of control technology at the unit for compliance with the CAIR NO_x emissions limitation, to prevent such undue risk; or

b. Obtain under subsections B and D of this section, or otherwise obtain, a sufficient amount of CAIR NO_x allowances to prevent such undue risk.

D. The permitting authority will review each request under subsection B or C of this section submitted by July 1, 2009 and will allocate CAIR NO_x allowances for the control period in 2009 to CAIR NO_x units and covered by such request as follows:

1. Upon receipt of each such request, the permitting authority will make any necessary adjustments to the request to ensure that the amount of the CAIR NO_x allowances requested meets the requirements of subsection B or C of this section.

2. If the state's compliance supplement pool under subsection A of this section has an amount of CAIR NO_x allowances not less than the total amount of CAIR NO_x allowances in all such requests (as adjusted under subdivision 1 of this subsection), the permitting authority will allocate to each CAIR NO_x unit covered by such requests the amount of CAIR NO_x allowances requested (as adjusted under subdivision 1 of this subsection).

3. If the state's compliance supplement pool under subsection A of this section has a smaller amount of CAIR NO_x allowances than the total amount of CAIR NO_x allowances in all such requests (as adjusted under subdivision 1 of this subsection), the permitting authority will allocate CAIR NO_x allowances to each CAIR NO_x unit covered by such requests according to the following formula and rounding to the nearest whole allowance as appropriate:

$$\text{Unit's allocation} = \text{Unit's adjusted allocation} \div (5,134 + \text{Total adjusted allocations for all units})$$

Where:

"Unit's allocation" is the number of CAIR NO_x allowances allocated to the unit from the state's compliance supplement pool.

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"Unit's adjusted allocation" is the amount of CAIR NO_x allowances requested for the unit under subsection B or C of this section, as adjusted under subdivision 1 of this subsection.

"Total adjusted allocations for all units" is the sum of the amounts of allocations requested for all units under subsection B or C of this section, as adjusted under subdivision 1 of this subsection.

4. By November 30, 2009, the permitting authority will determine, and submit to the administrator, the allocations under subdivision 2 or 3 of this subsection.

5. By January 1, 2010, the administrator will record the allocations under subdivision 4 of this subsection.

Article 16.
CAIR NO_x Allowance Tracking System.

9 VAC 5-140-1500. [Reserved].

9 VAC 5-140-1510. Establishment of accounts.

A. Except as provided in 9 VAC 5-140-1840 E, upon receipt of a complete certificate of representation under 9 VAC 5-140-1130, the administrator will establish a compliance account for the CAIR NO_x source for which the certificate of representation was submitted unless the source already has a compliance account.

B. General accounts shall be established as follows:

1. Applications for general accounts shall be submitted as follows:

a. Any person may apply to open a general account for the purpose of holding and transferring CAIR NO_x allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

b. A complete application for a general account shall be submitted to the administrator and shall include the following elements in a format prescribed by the administrator:

(1) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(2) Organization name and type of organization, if applicable;

(3) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR NO_x allowances held in the general account;

(4) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR NO_x allowances held in the general account. I certify that I have all the necessary authority to carry

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out my duties and responsibilities under the CAIR NO_x Annual Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the administrator or a court regarding the general account."

(5) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

c. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

2. Authorization of a CAIR authorized account representative shall be established as follows:

a. Upon receipt by the administrator of a complete application for a general account under subdivision 1 of this subsection:

(1) The administrator will establish a general account for the person or persons for whom the application is submitted.

(2) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by such persons' representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR NO_x allowances held in the general account in all matters pertaining to the CAIR NO_x Annual Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the administrator or a court regarding the general account.

(3) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

b. Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR NO_x allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR NO_x allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

c. The administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with subdivision b of this subdivision.

3. Changing the CAIR authorized account representative and alternate CAIR authorized account representative and changes in persons with ownership interest shall be accomplished as follows:

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a. The CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision 1 of this subsection. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO_x allowances in the general account.

b. The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision 1 of this subsection. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO_x allowances in the general account.

c.(1) In the event a new person having an ownership interest with respect to CAIR NO_x allowances in the general account is not included in the list of such persons in the application for a general account, such new person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the administrator or a court, as if the new person were included in such list.

(2) Within 30 days following any change in the persons having an ownership interest with respect to CAIR NO_x allowances in the general account, including the addition of persons, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR NO_x allowances in the general account to include the change.

4. Objections concerning the CAIR authorized account representative shall be processed as follows:

a. Once a complete application for a general account under subdivision 1 of this subsection has been submitted and received, the administrator will rely on the application unless and until a superseding complete application for a general account under subdivision 1 of this subsection is received by the administrator.

b. Except as provided in subdivision 3 a or b of this subsection, no objection or other communication submitted to the administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative or the finality of any decision or order by the administrator under the CAIR NO_x Annual Trading Program.

c. The administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR NO_x allowance transfers.

C. The administrator will assign a unique identifying number to each account established under subsection A or B of this section.

9 VAC 5-140-1520. Responsibilities of CAIR authorized account representative.

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Following the establishment of a CAIR NO_x Allowance Tracking System account, all submissions to the administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR NO_x allowances in the account, shall be made only by the CAIR authorized account representative for the account.

9 VAC 5-140-1530. Recordation of CAIR NO_x allowance allocations.

A. The administrator will record in the CAIR NO_x source's compliance account the CAIR NO_x allowances allocated for the CAIR NO_x units at a source, as submitted by the permitting authority in accordance with 9 VAC 5-140-1410 A, for the control periods in 2009, 2010, 2011, 2012, and 2013.

B. By December 1, 2009, the administrator will record in the CAIR NO_x source's compliance account the CAIR NO_x allowances allocated for the CAIR NO_x units at the source, as submitted by the permitting authority or as determined by the administrator in accordance with 9 VAC 5-140-1410 B, for the control period in 2014.

C. In 2011 and each year thereafter, after the administrator has made all deductions (if any) from a CAIR NO_x source's compliance account under 9 VAC 5-140-1540, the administrator will record in the CAIR NO_x source's compliance account the CAIR NO_x allowances allocated for the CAIR NO_x units at the source, as submitted by the permitting authority or determined by the administrator in accordance with 9 VAC 5-140-1410 B, for the control period in the fifth year after the year of the control period for which such deductions were or could have been made.

D. By December 1, 2009 and December 1 of each year thereafter, the administrator will record in the CAIR NO_x source's compliance account the CAIR NO_x allowances allocated for the CAIR NO_x units at the source, as submitted by the permitting authority or determined by the administrator in accordance with 9 VAC 5-140-1410 C, for the control period in the year of the applicable deadline for recordation under this subsection.

E. When recording the allocation of CAIR NO_x allowances for a CAIR NO_x unit in a compliance account, the administrator will assign each CAIR NO_x allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR NO_x allowance is allocated.

9 VAC 5-140-1540. Compliance with CAIR NO_x emissions limitation.

A. The CAIR NO_x allowances are available to be deducted for compliance with a source's CAIR NO_x emissions limitation for a control period in a given calendar year only if the CAIR NO_x allowances:

1. Were allocated for the control period in the year or a prior year;
2. Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR NO_x allowance transfer correctly submitted for recordation under 9 VAC 5-140-1600 by the allowance transfer deadline for the control period; and
3. Are not necessary for deductions for excess emissions for a prior control period under subsection D of this section.

B. Following the recordation, in accordance with 9 VAC 5-140-1610, of CAIR NO_x allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the administrator will deduct from the compliance account CAIR NO_x allowances available under subsection A of this section in order to determine whether the source meets the CAIR NO_x emissions limitation for the control period, as follows:

1. Until the amount of CAIR NO_x allowances deducted equals the number of tons of total

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nitrogen oxides emissions, determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, from all CAIR NO_x units at the source for the control period; or

2. If there are insufficient CAIR NO_x allowances to complete the deductions in subdivision 1 of this subsection, until no more CAIR NO_x allowances available under subsection A of this section remain in the compliance account.

C.1. The CAIR authorized account representative for a source's compliance account may request that specific CAIR NO_x allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with subsection B or D of this section. Such request shall be submitted to the administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the administrator, the identification of the CAIR NO_x source and the appropriate serial numbers.

2. The administrator will deduct CAIR NO_x allowances under subsection B or D of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR NO_x allowances by serial number under subdivision 1 of this subsection, on a first-in, first-out accounting basis in the following order:

a. Any CAIR NO_x allowances that were allocated to the units at the source, in the order of recordation; and then

b. Any CAIR NO_x allowances that were allocated to any entity and transferred and recorded in the compliance account pursuant to Article 17 (9 VAC 5-140-1600 et seq.) of this part, in the order of recordation.

D. Deductions for excess emissions shall be made as follows:

1. After making the deductions for compliance under subsection B of this section for a control period in a calendar year in which the CAIR NO_x source has excess emissions, the administrator will deduct from the source's compliance account an amount of CAIR NO_x allowances, allocated for the control period in the immediately following calendar year, equal to 3 times the number of tons of the source's excess emissions.

2. Any allowance deduction required under subdivision 1 of this subsection shall not affect the liability of the owners and operators of the CAIR NO_x source or the CAIR NO_x units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or the Virginia Air Pollution Control Law.

E. The administrator will record in the appropriate compliance account all deductions from such an account under subsections B or D of this section.

F. Administrator actions on submissions will occur as follows:

1. The administrator may review and conduct independent audits concerning any submission under the CAIR NO_x Annual Trading Program and make appropriate adjustments of the information in the submissions.

2. The administrator may deduct CAIR NO_x allowances from or transfer CAIR NO_x allowances to a source's compliance account based on the information in the submissions, as adjusted under subdivision 1 of this subsection.

9 VAC 5-140-1550. Banking.

A. CAIR NO_x allowances may be banked for future use or transfer in a compliance account or a

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general account in accordance with subsection B of this section.

B. Any CAIR NO_x allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR NO_x allowance is deducted or transferred under 9 VAC 5-140-1540, 9 VAC 5-140-1560, or Article 17 (9 VAC 5-140-1600 et seq.) of this part.

9 VAC 5-140-1560. Account error.

The administrator may, at the administrator's sole discretion and on the administrator's own motion, correct any error in any CAIR NO_x Allowance Tracking System account. Within 10 business days of making such correction, the administrator will notify the CAIR authorized account representative for the account.

9 VAC 5-140-1570. Closing of general accounts.

A. The CAIR authorized account representative of a general account may submit to the administrator a request to close the account, which shall include a correctly submitted allowance transfer under 9 VAC 5-140-1600 for any CAIR NO_x allowances in the account to one or more other CAIR NO_x Allowance Tracking System accounts.

B. If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR NO_x allowances, the administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the administrator receives a correctly submitted transfer of CAIR NO_x allowances into the account under 9 VAC 5-140-1600 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the administrator good cause as to why the account should not be closed.

Article 17.
CAIR NO_x Allowance Transfers.

9 VAC 5-140-1600. Submission of CAIR NO_x allowance transfers.

A CAIR authorized account representative seeking recordation of a CAIR NO_x allowance transfer shall submit the transfer to the administrator. To be considered correctly submitted, the CAIR NO_x allowance transfer shall include the following elements, in a format specified by the administrator:

A. The account numbers for both the transferor and transferee accounts;

B. The serial number of each CAIR NO_x allowance that is in the transferor account and is to be transferred; and

C. The name and signature of the CAIR authorized account representative of the transferor account and the date signed.

9 VAC 5-140-1610. EPA recordation.

A. Within 5 business days (except as provided in subsection B of this section) of receiving a CAIR NO_x allowance transfer, the administrator will record a CAIR NO_x allowance transfer by moving each CAIR NO_x allowance from the transferor account to the transferee account as specified by the request, provided that:

1. The transfer is correctly submitted under 9 VAC 5-140-1600; and

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2. The transferor account includes each CAIR NO_x allowance identified by serial number in the transfer.

B. A CAIR NO_x allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR NO_x allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the administrator completes the deductions under 9 VAC 5-140-1540 for the control period immediately before such allowance transfer deadline.

C. Where a CAIR NO_x allowance transfer submitted for recordation fails to meet the requirements of subsection A of this section, the administrator will not record such transfer.

9 VAC 5-140-1620. Notification.

A. Within 5 business days of recordation of a CAIR NO_x allowance transfer under 9 VAC 5-140-1610, the administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

B. Within 10 business days of receipt of a CAIR NO_x allowance transfer that fails to meet the requirements of 9 VAC 5-140-1610 A, the administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

1. A decision not to record the transfer, and

2. The reasons for such non-recordation.

C. Nothing in this section shall preclude the submission of a CAIR NO_x allowance transfer for recordation following notification of non-recordation.

Article 18.
Monitoring and Reporting.

9 VAC 5-140-1700. General requirements.

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR NO_x unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this article and in subpart H of 40 CFR Part 75. For purposes of complying with such requirements, the definitions in 9 VAC 5-140-1020 and in 40 CFR 72.2 shall apply, and the terms "affected unit," "designated representative," and "continuous emission monitoring system (CEMS)" in 40 CFR Part 75 shall be deemed to refer to the terms "CAIR NO_x unit," "CAIR designated representative," and "continuous emission monitoring system (CEMS)" respectively, as defined in 9 VAC 5-140-1020. The owner or operator of a unit that is not a CAIR NO_x unit but that is monitored under 40 CFR 75.72(b)(2)(ii) shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR NO_x unit.

A. The owner or operator of each CAIR NO_x unit shall:

1. Install all monitoring systems required under this article for monitoring NO_x mass emissions and individual unit heat input (including all systems required to monitor NO_x emission rate, NO_x concentration, stack gas moisture content, stack gas flow rate, CO₂ or O₂ concentration, and fuel flow rate, as applicable, in accordance with 40 CFR 75.71 and 75.72);

2. Successfully complete all certification tests required under 9 VAC 5-140-1710 and meet all other requirements of this article and 40 CFR Part 75 applicable to the monitoring systems under

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subdivision 1 of this subsection; and

3. Record, report, and quality-assure the data from the monitoring systems under subdivision 1 of this subsection.

B. The owner or operator shall meet the monitoring system certification and other requirements of subdivisions A 1 and 2 of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under subdivision A 1 of this section on and after the following dates.

1. For the owner or operator of a CAIR NO_x unit that commences commercial operation before July 1, 2007, by January 1, 2008.

2. For the owner or operator of a CAIR NO_x unit that commences commercial operation on or after July 1, 2007, by the later of the following dates:

a. January 1, 2008; or

b. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation.

3. For the owner or operator of a CAIR NO_x unit for which construction of a new stack or flue or installation of add-on NO_x emission controls is completed after the applicable deadline under subdivisions 1, 2, 4, or 5 of this subsection, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO_x emissions controls.

4. Notwithstanding the dates in subdivisions 1 and 2 of this subsection, for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, by the date specified in 9 VAC 5-140-1840 B.

5. Notwithstanding the dates in subdivisions 1, 2, and 4 of this subsection and solely for purposes of 9 VAC 5-140-1060 C 2, for the owner or operator of a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of this part, by the date on which the CAIR NO_x opt-in unit enters the CAIR NO_x Annual Trading Program as provided in 9 VAC 5-140-1840 G.

C. Data shall be reported as follows:

1. Except as provided in subdivision 2 of this subsection, the owner or operator of a CAIR NO_x unit that does not meet the applicable compliance date set forth in subsection B of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for NO_x concentration, NO_x emission rate, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine NO_x mass emissions and heat input in accordance with 40 CFR 75.31(b)(2) or (c)(3), section 2.4 of appendix D to 40 CFR Part 75, or section 2.5 of appendix E to 40 CFR Part 75, as applicable.

2. The owner or operator of a CAIR NO_x unit that does not meet the applicable compliance date set forth in subdivision B 3 of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report substitute data using the applicable missing data procedures in subpart D or subpart H of, or appendix D or appendix E to, 40 CFR Part 75, in lieu of the maximum potential (or, as appropriate, minimum potential) values, for a parameter if the owner or operator demonstrates that there is continuity between the data streams for that parameter before and after the construction or installation under subdivision B 3 of this section.

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D. The following prohibitions shall apply.

1. No owner or operator of a CAIR NO_x unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this article without having obtained prior written approval in accordance with 9 VAC 5-140-1750.

2. No owner or operator of a CAIR NO_x unit shall operate the unit so as to discharge, or allow to be discharged, NO_x emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this article and 40 CFR Part 75.

3. No owner or operator of a CAIR NO_x unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO_x mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this article and 40 CFR Part 75.

4. No owner or operator of a CAIR NO_x unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this article, except under any one of the following circumstances:

a. During the period that the unit is covered by an exemption under 9 VAC 5-140-1050 that is in effect;

b. The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this article and 40 CFR Part 75, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

c. The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with 9 VAC 5-140-1710 D 3 1.

9 VAC 5-140-1710. Initial certification and recertification procedures.

A. The owner or operator of a CAIR NO_x unit shall be exempt from the initial certification requirements of this section for a monitoring system under 9 VAC 5-140-1700 A 1 if the following conditions are met:

1. The monitoring system has been previously certified in accordance with 40 CFR Part 75; and

2. The applicable quality-assurance and quality-control requirements of 40 CFR 75.21 and appendix B, appendix D, and appendix E to 40 CFR Part 75 are fully met for the certified monitoring system described in subdivision 1 of this subsection.

B. The recertification provisions of this section shall apply to a monitoring system under 9 VAC 5-140-1700 A 1 exempt from initial certification requirements under subsection A of this section.

C. If the administrator has previously approved a petition under 40 CFR 75.17(a) or (b) for apportioning the NO_x emission rate measured in a common stack or a petition under 40 CFR 75.66 for an alternative to a requirement in 40 CFR 75.12, 40 CFR 75.17, or subpart H of 40 CFR Part 75, the CAIR designated representative shall resubmit the petition to the administrator under 9 VAC 5-140-1750 A to determine whether the approval applies under the CAIR NO_x Annual Trading Program.

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D. Except as provided in subsection A of this section, the owner or operator of a CAIR NO_x unit shall comply with the following initial certification and recertification procedures for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendices D and E to 40 CFR Part 75) under 9 VAC 5-140-1700 A 1. The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19 or that qualifies to use an alternative monitoring system under subpart E of 40 CFR Part 75 shall comply with the procedures in subsections E or F of this section, respectively.

1. The owner or operator shall ensure that each continuous monitoring system under 9 VAC 5-140-1700 A 1 (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under 40 CFR 75.20 by the applicable deadline in 9 VAC 5-140-1700 B. In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this article in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20 is required.

2. Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under 9 VAC 5-140-1700 A 1 that may significantly affect the ability of the system to accurately measure or record NO_x mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21 or appendix B to 40 CFR Part 75, the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b). Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b). Examples of changes to a continuous emission monitoring system that require recertification include replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system, and any excepted NO_x monitoring system under appendix E to 40 CFR Part 75, under 9 VAC 5-140-1700 A 1 are subject to the recertification requirements in 40 CFR 75.20(g)(6).

3. Subdivisions a through d of this subdivision apply to both initial certification and recertification of a continuous monitoring system under 9 VAC 5-140-1700 A 1. For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word "certified" with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5) and (g)(7) in lieu of the procedures in subdivision e of this subdivision.

a. The CAIR designated representative shall submit to the permitting authority, the EPA Region III Office, and the administrator written notice of the dates of certification testing, in accordance with 9 VAC 5-140-1730.

b. The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63.

c. The provisional certification date for a monitoring system shall be determined in accordance with 40 CFR 75.20(a)(3). A provisionally certified monitoring system may be used under the CAIR NO_x Annual Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under subdivision b of this subdivision. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of 40 CFR Part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

d. The permitting authority will issue a written notice of approval or disapproval of

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the certification application to the owner or operator within 120 days of receipt of the complete certification application under subdivision b of this subdivision. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of 40 CFR Part 75 and is included in the certification application will be deemed certified for use under the CAIR NO_x Annual Trading Program.

(1) If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR Part 75, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(2) If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative shall submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under subdivision d (3) of this subdivision. The 120-day review period shall not begin before receipt of a complete certification application.

(3) If the certification application shows that any monitoring system does not meet the performance requirements of 40 CFR Part 75 or if the certification application is incomplete and the requirement for disapproval under subdivision d (2) of this subdivision is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under 40 CFR 75.20(a)(3)). The owner or operator shall follow the procedures for loss of certification in subdivision e of this subdivision for each monitoring system that is disapproved for initial certification.

(4) The permitting authority or, for a CAIR NO_x opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, the administrator may issue a notice of disapproval of the certification status of a monitor in accordance with 9 VAC 5-140-1720 B.

e. If the permitting authority or the administrator issues a notice of disapproval of a certification application under subdivision d (3) of this subdivision or a notice of disapproval of certification status under subdivision d (4) of this subdivision, then:

(1) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under 40 CFR 75.20(a)(4)(iii), 40 CFR 75.20(g)(7), or 40 CFR 75.21(e) and continuing until the applicable date and hour specified under 40 CFR 75.20(a)(5)(i) or (g)(7):

(a) For a disapproved NO_x emission rate (i.e., NO_x-diluent) system, the maximum potential NO_x emission rate, as defined in 40 CFR 72.2.

(b) For a disapproved NO_x pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of NO_x and the maximum potential flow rate, as defined in sections 2.1.2.1 and 2.1.4.1 of appendix A to 40 CFR Part 75.

(c) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO₂ concentration or the minimum potential O₂ concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to 40 CFR Part 75.

(d) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to 40 CFR Part 75.

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(e) For a disapproved excepted NO_x monitoring system under appendix E to 40 CFR Part 75, the fuel-specific maximum potential NO_x emission rate, as defined in 40 CFR 75.2.

(2) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with subdivisions 3 a and b of this subsection.

(3) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

E. The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19 shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2) and 75.20(h). If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g).

F. The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the administrator and, if applicable, the permitting authority under subpart E of 40 CFR Part 75 shall comply with the applicable notification and application procedures of 40 CFR 75.20(f).

9 VAC 5-140-1720. Out of control periods.

A. Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of 40 CFR Part 75, data shall be substituted using the applicable missing data procedures in subpart D or subpart H of, or appendix D or appendix E to, 40 CFR Part 75.

B. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under 9 VAC 5-140-1710 or the applicable provisions of 40 CFR Part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR NO_x opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, the administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the administrator. By issuing the notice of disapproval, the permitting authority or the administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in 9 VAC 5-140-1710 for each disapproved monitoring system.

9 VAC 5-140-1730. Notifications.

The CAIR designated representative for a CAIR NO_x unit shall submit written notice to the permitting authority and the administrator in accordance with 40 CFR 75.61, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority.

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9 VAC 5-140-1740. Recordkeeping and reporting.

A. The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements under 40 CFR 75.73, and the requirements of 9 VAC 5-140-1100 E 1.

B. The owner or operator of a CAIR NO_x unit shall comply with requirements of 40 CFR 75.73(c) and (e) and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 19 (9 VAC 5-140-1800 et seq.) of this part, 9 VAC 5-140-1830 and 9 VAC 5-140-1840 A.

C. The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under 9 VAC 5-140-1710, including the information required under 40 CFR 75.63.

D. The CAIR designated representative shall submit quarterly reports, as follows:

1. The CAIR designated representative shall report the NO_x mass emissions data and heat input data for the CAIR NO_x unit, in an electronic quarterly report in a format prescribed by the administrator, for each calendar quarter beginning with:

a. For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering January 1, 2008 through March 31, 2008; or

b. For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under 9 VAC 5-140-1700 B, unless that quarter is the third or fourth quarter of 2007, in which case reporting shall commence in the quarter covering January 1, 2008 through March 31, 2008.

2. The CAIR designated representative shall submit each quarterly report to the administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in 40 CFR 75.73(f).

3. For CAIR NO_x units that are also subject to an Acid Rain emissions limitation or the CAIR NO_x Ozone Season Trading Program or CAIR SO₂ Trading Program, quarterly reports shall include the applicable data and information required by subparts F through H of 40 CFR Part 75 as applicable, in addition to the NO_x mass emission data, heat input data, and other information required by this article.

E. The CAIR designated representative shall submit to the administrator a compliance certification (in a format prescribed by the administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

1. The monitoring data submitted were recorded in accordance with the applicable requirements of this article and 40 CFR Part 75, including the quality assurance procedures and specifications; and

2. For a unit with add-on NO_x emission controls and for all hours where NO_x data are substituted in accordance with 40 CFR 75.34(a)(1), the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to 40 CFR Part 75 and the substitute data values do not systematically underestimate NO_x emissions.

9 VAC 5-140-1750. Petitions.

A. Except as provided in subdivision B 2 of this section, the CAIR designated representative of a

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CAIR NO_x unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by the administrator, in consultation with the permitting authority.

B.1. The CAIR designated representative of a CAIR NO_x unit that is not subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

2. The CAIR designated representative of a CAIR NO_x unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to a requirement concerning any additional continuous emission monitoring system required under 40 CFR 75.72. Application of an alternative to any such requirement is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

9 VAC 5-140-1760. Additional requirements to provide heat input data.

The owner or operator of a CAIR NO_x unit that monitors and reports NO_x mass emissions using a NO_x concentration system and a flow system shall also monitor and report heat input rate at the unit level using the procedures set forth in 40 CFR Part 75.

Article 19.
CAIR NO_x Opt-in Units.

9 VAC 5-140-1800. Applicability.

A CAIR NO_x opt-in unit shall be a unit that:

A. Is located in the state;

B. Is not a CAIR NO_x unit under 9 VAC 5-140-1040 and is not covered by a retired unit exemption under 9 VAC 5-140-1050 that is in effect;

C. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;

D. Has or is required or qualified to have a title V operating permit or state operating permit; and

E. Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Article 18 (9 VAC 5-140-1700 et seq.) of this part.

9 VAC 5-140-1810. General.

A. Except as otherwise provided in 9 VAC 5-140-1010 through 9 VAC 5-140-1040, 9 VAC 5-140-1060 through 9 VAC 5-140-1080, and Article 12 (9 VAC 5-140-1100 et seq.), Article 13 (9 VAC 5-140-1400 et seq.), and Article 16 (9 VAC 5-140-1500 et seq.) through Article 18 (9 VAC 5-140-1700 et seq.) of this part, a CAIR NO_x opt-in unit shall be treated as a CAIR NO_x unit for purposes of applying such sections and articles of this part.

B. Solely for purposes of applying, as provided in this article, the requirements of Article 18 (9 VAC 5-140-1700 et seq.) of this part to a unit for which a CAIR opt-in permit application is submitted and not

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withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, such unit shall be treated as a CAIR NO_x unit before issuance of a CAIR opt-in permit for such unit.

9 VAC 5-140-1820. CAIR designated representative.

Any CAIR NO_x opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, located at the same source as one or more CAIR NO_x units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR NO_x units.

9 VAC 5-140-1830. Applying for CAIR opt-in permit.

A. The CAIR designated representative of a unit meeting the requirements for a CAIR NO_x opt-in unit in 9 VAC 5-140-1800 may apply for an initial CAIR opt-in permit at any time, except as provided under 9 VAC 5-140-1860 F and G, and, in order to apply, shall submit the following:

1. A complete CAIR permit application under 9 VAC 5-140-1220;
2. A certification, in a format acceptable to the permitting authority, that the unit:
 - a. Is not a CAIR NO_x unit under 9 VAC 5-140-1040 and is not covered by a retired unit exemption under 9 VAC 5-140-1050 that is in effect;
 - b. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;
 - c. Vents all of its emissions to a stack, and
 - d. Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under 9 VAC 5-140-1220;
3. A monitoring plan in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part;
4. A complete certificate of representation under 9 VAC 5-140-1130 consistent with 9 VAC 5-140-1820, if no CAIR designated representative has been previously designated for the source that includes the unit; and
5. A statement, in a format acceptable to the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR NO_x allowances under 9 VAC 5-140-1880 C (subject to the conditions in 9 VAC 5-140-1840 H and 9 VAC 5-140-1860 G).

B. Opt-in permit renewal shall be required as follows:

1. The CAIR designated representative of a CAIR NO_x opt-in unit shall submit a complete CAIR permit application under 9 VAC 5-140-1220 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for state operating permits if applicable, addressing permit renewal.
2. Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR opt-in unit from the CAIR NO_x Annual Trading Program in accordance with 9 VAC 5-140-1860 or the unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, the CAIR NO_x opt-in unit shall remain subject to the requirements for a CAIR NO_x opt-in unit, even if the CAIR designated representative for the CAIR NO_x opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under subdivision 1 of this subsection.

9 VAC 5-140-1840. Opt-in process.

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The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under 9 VAC 5-140-1830 is submitted in accordance with the following:

A. The permitting authority and the administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under 9 VAC 5-140-1830. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO_x emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

B. Monitoring and reporting shall be as follows:

1.a. If the permitting authority and the administrator determine that the monitoring plan is sufficient under subsection A of this section, the owner or operator shall monitor and report the NO_x emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, starting on the date of certification of the appropriate monitoring systems under Article 18 (9 VAC 5-140-1700 et seq.) of this part and continuing until a CAIR opt-in permit is denied under 9 VAC 5-140-1840 F or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR NO_x Annual Trading Program in accordance with 9 VAC 5-140-1860.

b. The monitoring and reporting under subdivision 1 a of this subsection shall include the entire control period immediately before the date on which the unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G, during which period monitoring system availability shall not be less than 90.0% under Article 18 (9 VAC 5-140-1700 et seq.) of this part and the unit shall be in full compliance with any applicable state or federal emissions or emissions-related requirements.

2. To the extent the NO_x emissions rate and the heat input of the unit are monitored and reported in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part for one or more control periods, in addition to the control period under subdivision 1 b of this subsection, during which control periods monitoring system availability is not less than 90.0% under Article 18 (9 VAC 5-140-1700 et seq.) of this part and the unit is in full compliance with any applicable state or federal emissions or emissions-related requirements and which control periods begin not more than three years before the unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G, such information shall be used as provided in subsections C and D of this section.

C. The unit's baseline heat rate shall equal:

1. If the unit's NO_x emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's total heat input (in mmBtu) for the control period; or

2. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under subdivisions B 1 b and 2 of this section.

D. The unit's baseline NO_x emission rate shall equal:

1. If the unit's NO_x emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's NO_x emissions rate (in lb/mmBtu) for the control period;

2. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit does not have add-on NO_x emission controls during any such control periods, the average of the amounts of the unit's NO_x

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emissions rate (in lb/mmBtu) for the control periods under subdivisions B 1 b and B 2 of this section; or

3. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit has add-on NO_x emission controls during any such control periods, the average of the amounts of the unit's NO_x emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on NO_x emission controls.

E. After calculating the baseline heat input and the baseline NO_x emissions rate for the unit under subsections C and D of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR NO_x opt-in unit in 9 VAC 5-140-1800 and meets the elements certified in 9 VAC 5-140-1830 A 2, the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the administrator, who will then establish a compliance account for the source that includes the CAIR NO_x opt-in unit unless the source already has a compliance account.

F. Notwithstanding subsections A through E of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR NO_x opt-in unit in 9 VAC 5-140-1800 or meets the elements certified in 9 VAC 5-140-1830 A 2, the permitting authority will issue a denial of a CAIR NO_x opt-in permit for the unit.

G. A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR NO_x opt-in unit, and a CAIR NO_x unit, as of the later of January 1, 2009 or January 1 of the first control period during which such CAIR opt-in permit is issued.

H. Repowered CAIR NO_x opt-in units shall meet the following requirements.

1. If the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO_x opt-in unit of CAIR NO_x allowances under 9 VAC 5-140-1880 C and such unit is repowered after its date of entry into the CAIR NO_x Annual Trading Program under subsection G of this section, the repowered unit shall be treated as a CAIR NO_x opt-in unit replacing the original CAIR NO_x opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

2. Notwithstanding subsections C and D of this section, as of the date of start-up under subdivision 1 of this subsection, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline NO_x emission rate as the original CAIR NO_x opt-in unit, and the original CAIR NO_x opt-in unit shall no longer be treated as a CAIR opt-in unit or a CAIR NO_x unit.

9 VAC 5-140-1850. CAIR opt-in permit contents.

A. Each CAIR opt-in permit will contain:

1. All elements required for a complete CAIR permit application under 9 VAC 5-140-1220;

2. The certification in 9 VAC 5-140-1830 A 2;

3. The unit's baseline heat input under 9 VAC 5-140-1840 C;

4. The unit's baseline NO_x emission rate under 9 VAC 5-140-1840 D;

5. A statement whether the unit is to be allocated CAIR NO_x allowances under 9 VAC 5-140-1880 C (subject to the conditions in 9 VAC 5-140-1840 H and 9 VAC 5-140-1860 G);

6. A statement that the unit may withdraw from the CAIR NO_x Annual Trading Program only

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in accordance with 9 VAC 5-140-1860; and

7. A statement that the unit is subject to, and the owners and operators of the unit shall comply with, the requirements of 9 VAC 5-140-1870.

B. Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-1020 and, upon recordation by the administrator under Article 16 (9 VAC 5-140-1500 et seq.), Article 17 (9 VAC 5-140-1600 et seq.), or Article 19 (9 VAC 5-140-1800 et seq.) of this part or this article, every allocation, transfer, or deduction of CAIR NO_x allowances to or from the compliance account of the source that includes a CAIR NO_x opt-in unit covered by the CAIR opt-in permit.

C. The CAIR opt-in permit shall be included, in a format acceptable to the permitting authority, in the CAIR permit for the source where the CAIR opt-in unit is located.

9 VAC 5-140-1860. Withdrawal from CAIR NO_x Annual Trading Program.

Except as provided under subsection G of this section, a CAIR NO_x opt-in unit may withdraw from the CAIR NO_x Annual Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR NO_x opt-in unit of the acceptance of the withdrawal of the CAIR NO_x opt-in unit in accordance with subsection D of this section.

A. In order to withdraw a CAIR opt-in unit from the CAIR NO_x Annual Trading Program, the CAIR designated representative of the CAIR NO_x opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least four years after December 31 of the year of entry into the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G. The request shall be submitted no later than 90 days before the requested effective date of withdrawal.

B. Before a CAIR NO_x opt-in unit covered by a request under subsection A of this section may withdraw from the CAIR NO_x Annual Trading Program and the CAIR opt-in permit may be terminated under subsection E of this section, the following conditions must be met:

1. For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR NO_x opt-in unit must meet the requirement to hold CAIR NO_x allowances under 9 VAC 5-140-1060 C and must not have any excess emissions.

2. After the requirement for withdrawal under subdivision 1 of this subsection is met, the administrator will deduct from the compliance account of the source that includes the CAIR NO_x opt-in unit CAIR NO_x allowances equal in amount to and allocated for the same or a prior control period as any CAIR NO_x allowances allocated to the CAIR NO_x opt-in unit under 9 VAC 5-140-1880 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NO_x units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR NO_x opt-in unit may submit a CAIR NO_x allowance transfer for any remaining CAIR NO_x allowances to another CAIR NO_x Allowance Tracking System in accordance with Article 17 (9 VAC 5-140-1600 et seq.) of this part.

C. Notification shall be performed as follows:

1. After the requirements for withdrawal under subsections A and B of this section are met (including deduction of the full amount of CAIR NO_x allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO_x opt-in unit of the acceptance of the withdrawal of the CAIR NO_x opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested.

2. If the requirements for withdrawal under subsections A and B of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO_x opt-in

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unit that the CAIR NO_x opt-in unit's request to withdraw is denied. Such CAIR NO_x opt-in unit shall continue to be a CAIR NO_x opt-in unit.

D. After the permitting authority issues a notification under subdivision C 1 of this section that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR NO_x opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision C 1 of this section. The unit shall continue to be a CAIR NO_x opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NO_x Annual Trading Program concerning any control periods for which the unit is a CAIR NO_x opt-in unit, even if such requirements arise or must be complied with after the withdrawal takes effect.

E. If the permitting authority denies the CAIR NO_x opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subsections A and B of this section.

F. Once a CAIR NO_x opt-in unit withdraws from the CAIR NO_x Annual Trading Program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under 9 VAC 5-140-1830 for such CAIR NO_x opt-in unit before the date that is four years after the date on which the withdrawal became effective. Such new application for a CAIR opt-in permit will be treated as an initial application for a CAIR opt-in permit under 9 VAC 5-140-1840.

G. Notwithstanding subsections A through F of this section, a CAIR NO_x opt-in unit shall not be eligible to withdraw from the CAIR NO_x Annual Trading Program if the CAIR designated representative of the CAIR NO_x opt-in unit requests, and the permitting authority issues a CAIR NO_x opt-in permit providing for, allocation to the CAIR NO_x opt-in unit of CAIR NO_x allowances under 9 VAC 5-140-1880 C.

9 VAC 5-140-1870. Change in regulatory status.

A. If a CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, then the CAIR designated representative shall notify in writing the permitting authority and the administrator of such change in the CAIR NO_x opt-in unit's regulatory status, within 30 days of such change.

B. The permitting authority and administrator will take the following actions:

1. If a CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, the permitting authority will revise the CAIR NO_x opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under 9 VAC 5-140-1230 as of the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040.

2.a. The administrator will deduct from the compliance account of the source that includes the CAIR NO_x opt-in unit that becomes a CAIR NO_x unit under 9 VAC 5-140-1040, CAIR NO_x allowances equal in amount to and allocated for the same or a prior control period as:

(1) Any CAIR NO_x allowances allocated to the CAIR NO_x opt-in unit under 9 VAC 5-140-1880 for any control period after the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040; and

(2) If the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040 is not December 31, the CAIR NO_x allowances allocated to the CAIR NO_x opt-in unit under 9 VAC 5-140-1880 for the control period that includes the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040 divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

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b. The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR NO_x unit that becomes a CAIR NO_x unit under 9 VAC 5-140-1040 contains the CAIR NO_x allowances necessary for completion of the deduction under subdivision a of this subdivision.

3.a. For every control period after the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, the CAIR NO_x opt-in unit will be treated, solely for purposes of CAIR NO_x allowance allocations under 9 VAC 5-140-1420, as a unit that commences operation on the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040 and will be allocated CAIR NO_x allowances under 9 VAC 5-140-1420.

b. Notwithstanding subdivision 3 a of this subsection, if the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040 is not January 1, the following amount of CAIR NO_x allowances will be allocated to the CAIR NO_x opt-in unit (as a CAIR NO_x unit) under 9 VAC 5-140-1420 for the control period that includes the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040:

(1) The amount of CAIR NO_x allowances otherwise allocated to the CAIR NO_x opt-in unit (as a CAIR NO_x unit) under 9 VAC 5-140-1420 for the control period multiplied by:

(2) The ratio of the number of days, in the control period, starting with the date on which the CAIR NO_x opt-in unit becomes a CAIR NO_x unit under 9 VAC 5-140-1040, divided by the total number of days in the control period; and

(3) Rounded to the nearest whole allowance as appropriate.

9 VAC 5-140-1880. NO_x allowance allocations to CAIR NO_x opt-in units.

A. Timing requirements shall be met as follows:

1. When the CAIR opt-in permit is issued under 9 VAC 5-140-1840 E, the permitting authority will allocate CAIR NO_x allowances to the CAIR NO_x opt-in unit, and submit to the administrator the allocation for the control period in which a CAIR NO_x opt-in unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G, in accordance with subsections B or C of this section.

2. By no later than October 31 of the control period in which a CAIR opt-in unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G and October 31 of each year thereafter, the permitting authority will allocate CAIR NO_x allowances to the CAIR NO_x opt-in unit, and submit to the administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR NO_x opt-in unit, in accordance with subsections B or C of this section.

B. For each control period for which a CAIR NO_x opt-in unit is to be allocated CAIR NO_x allowances, the permitting authority will allocate in accordance with the following procedures:

1. The heat input (in mmBtu) used for calculating the CAIR NO_x allowance allocation will be the lesser of:

a. The CAIR NO_x opt-in unit's baseline heat input determined under 9 VAC 5-140-1840 C; or

b. The CAIR NO_x opt-in unit's heat input, as determined in accordance with Article 18 (9 VAC 5-140-1700 et seq.) of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR NO_x opt-in unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G.

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2. The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x allowance allocations will be the lesser of:

a. The CAIR NO_x opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-1840 D and multiplied by 70.0%; or

b. The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x opt-in unit at any time during the control period for which CAIR NO_x allowances are to be allocated.

3. The permitting authority will allocate CAIR NO_x allowances to the CAIR NO_x opt-in unit in an amount equaling the heat input under subdivision 1 of this subsection, multiplied by the NO_x emission rate under subdivision 2 of this subsection, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

C. Notwithstanding subsection B of this section and if the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO_x opt-in unit of CAIR NO_x allowances under this subsection (subject to the conditions in 9 VAC 5-140-1840 H and 9 VAC 5-140-1860 G), the permitting authority will allocate to the CAIR NO_x opt-in unit as follows:

1. For each control period in 2009 through 2014 for which the CAIR NO_x opt-in unit is to be allocated CAIR NO_x allowances,

a. The heat input (in mmBtu) used for calculating CAIR NO_x allowance allocations will be determined as described in subdivision B 1 of this section.

b. The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x allowance allocations will be the lesser of:

(1) The CAIR NO_x opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-1840 D; or

(2) The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x opt-in unit at any time during the control period in which the CAIR NO_x opt-in unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G.

c. The permitting authority will allocate CAIR NO_x allowances to the CAIR NO_x opt-in unit in an amount equaling the heat input under subdivision a of this subdivision, multiplied by the NO_x emission rate under subdivision b of this subdivision, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

2. For each control period in 2015 and thereafter for which the CAIR NO_x opt-in unit is to be allocated CAIR NO_x allowances,

a. The heat input (in mmBtu) used for calculating the CAIR NO_x allowance allocations will be determined as described in subdivision B 1 of this section.

b. The NO_x emission rate (in lb/mmBtu) used for calculating the CAIR NO_x allowance allocation will be the lesser of:

(1) 0.15 lb/mmBtu;

(2) The CAIR NO_x opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-1840 D; or

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(3) The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x opt-in unit at any time during the control period for which CAIR NO_x allowances are to be allocated.

c. The permitting authority will allocate CAIR NO_x allowances to the CAIR NO_x opt-in unit in an amount equaling the heat input under subdivision a of this subdivision, multiplied by the NO_x emission rate under subdivision b of this subdivision, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

D. Recordation shall be performed as follows:

1. The administrator will record, in the compliance account of the source that includes the CAIR NO_x opt-in unit, the CAIR NO_x allowances allocated by the permitting authority to the CAIR NO_x opt-in unit under subdivision A 1 of this section.

2. By December 1 of the control period in which a CAIR opt-in unit enters the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1840 G and December 1 of each year thereafter, the administrator will record, in the compliance account of the source that includes the CAIR NO_x opt-in unit, the CAIR NO_x allowances allocated by the permitting authority to the CAIR NO_x opt-in unit under subdivision A 2 of this section.

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PART III.
NO_x Ozone Season Trading Program.

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- 9 VAC 5-140-2100. Authorization and responsibilities of CAIR designated representative.
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Article 23 – Permits.

- 9 VAC 5-140-2200. General CAIR NO_x Ozone Season Trading Program permit requirements.
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- 9 VAC 5-140-2400. State trading budgets.
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Article 26 – CAIR NO_x Ozone Season Allowance Tracking System.

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9 VAC 5-140-2610. EPA recordation.

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9 VAC 5-140-2700. General requirements.

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Article 29 – CAIR NO_x Ozone Season Opt-in Units.

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9 VAC 5-140-2840. Opt-in process.

9 VAC 5-140-2850. CAIR opt-in permit contents.

9 VAC 5-140-2860. Withdrawal from CAIR NO_x Ozone Season Trading Program.

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9 VAC 5-140-2880. NO_x allowance allocations to CAIR NO_x Ozone Season opt-in units.

Article 21.

CAIR NO_x Ozone Season Trading Program General Provisions.

9 VAC 5-140-2010. Purpose.

This part establishes general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) NO_x Ozone Season Trading Program, under § 110 of the Clean Air Act and 40 CFR 51.123, as a means of mitigating interstate transport of ozone and nitrogen oxides. The board authorizes the administrator to assist the board in implementing the CAIR NO_x Ozone Season Trading Program by carrying out the functions set forth for the administrator in this part.

9 VAC 5-140-2020. Definitions.

A. As used in this part, all words or terms not defined here shall have the meaning given them in 9 VAC 5 Chapter 10 (9 VAC 5-10-10 et seq.), unless otherwise required by context.

B. For the purpose of this part and any related use, the words or terms shall have the meaning given them in this paragraph.

“Account number” means the identification number given by the administrator to each CAIR NO_x Ozone Season Allowance Tracking System account.

“Acid Rain emissions limitation” means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

“Acid Rain Program” means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the administrator under title IV of the CAA and 40 CFR Parts 72 through 78.

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"Administrator" means the administrator of the United States Environmental Protection Agency or the administrator's duly authorized representative.

"Allocate" or "allocation" means, with regard to CAIR NO_x Ozone Season allowances issued under Article 25 (9 VAC 5-140-2400 et seq.) of this part, the determination by the permitting authority or the administrator of the amount of such CAIR NO_x Ozone Season allowances to be initially credited to a CAIR NO_x Ozone Season unit or a new unit set-aside and, with regard to CAIR NO_x Ozone Season allowances issued under 9 VAC 5-140-2880, the determination by the permitting authority of the amount of such CAIR NO_x Ozone Season allowances to be initially credited to a CAIR NO_x Ozone Season unit.

"Allocation year" means the year in which allowance allocations are calculated for a future year.

"Allowance transfer deadline" means, for a control period, midnight of November 30, if it is a business day, or, if November 30 is not a business day, midnight of the first business day thereafter immediately following the control period and is the deadline by which a CAIR NO_x Ozone Season allowance transfer must be submitted for recordation in a CAIR NO_x Ozone Season source's compliance account in order to be used to meet the source's CAIR NO_x Ozone Season emissions limitation for such control period in accordance with 9 VAC 5-140-2540.

"Alternate CAIR designated representative" means, for a CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source in accordance with Article 22 (9 VAC 5-140-2100 et seq.) and Article 29 (9 VAC 5-140-2800 et seq.) of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR NO_x Ozone Season Trading Program. If the CAIR NO_x Ozone Season source is also a CAIR NO_x source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR NO_x Ozone Season source is also a CAIR SO₂ source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR SO₂ Trading Program. If the CAIR NO_x Ozone Season source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program.

"Automated data acquisition and handling system" or "DAHS" means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under Article 28 (9 VAC 5-140-2700 et seq.) of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by Article 28 (9 VAC 5-140-2700 et seq.) of this part.

"Biomass energy" means energy derived from the combustion or electro-chemical reaction (as with a fuel cell) of hydrocarbon materials of a biogenic origin using a solid, liquid or gaseous fuel. Biomass fuel materials include, but are not limited to, animal wastes (e.g. manure) and plant materials (e.g. wood chips, waste paper and crop wastes). Biomass fuels exclude products that have emissions that include heavy metals and other neuro-toxins (e.g. municipal solid wastes). Biomass fuel materials may be converted to a gaseous fuel, such as landfills (i.e. landfill gas) or waste treatment facilities (i.e. digester gas), or to liquid fuels (e.g. bio diesel). To be considered a biomass facility, the facility must employ maximum achievable control technology and continuous emission stack monitors for all chemical emissions of concern to human health.

"Boiler" means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

"Bottoming-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful

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thermal energy application or process is then used for electricity production.

"CAIR authorized account representative" means, with regard to a general account, a responsible natural person who is authorized, in accordance with Article 22 (9 VAC 5-140-2100 et seq.) and Article 29 (9 VAC 5-140-2800 et seq.) of this part, to transfer and otherwise dispose of CAIR NO_x Ozone Season allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

"CAIR designated representative" means, for a CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with Article 22 (9 VAC 5-140-2100 et seq.) and Article 29 (9 VAC 5-140-2800 et seq.) of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR NO_x Ozone Season Trading Program. If the CAIR NO_x Ozone Season source is also a CAIR NO_x source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR NO_x Ozone Season source is also a CAIR SO₂ source, then this natural person shall be the same person as the CAIR designated representative under the CAIR SO₂ Trading Program. If the CAIR NO_x Ozone Season source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program.

"CAIR NO_x Annual Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part II of this chapter and 40 CFR 51.123, as a means of mitigating interstate transport of fine particulates and nitrogen oxides.

"CAIR NO_x Ozone Season allowance" means a limited authorization issued by the permitting authority or the administrator under Article 25 (9 VAC 5-140-2400 et seq.) of this part or 9 VAC 5-140-2880 to emit one ton of nitrogen oxides during a control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR NO_x Ozone Season Trading Program or a limited authorization issued by the permitting authority for a control period during 2003 through 2008 under the NO_x Budget Trading Program under Part I of this chapter to emit one ton of nitrogen oxides during a control period, provided that the provision in 40 CFR 51.121(b)(2)(i)(E) shall not be used in applying this definition. An authorization to emit nitrogen oxides that is not issued under provisions of a state implementation plan that meet the requirements of 40 CFR 51.121(p) or 40 CFR 51.123(aa)(1) or (2) shall not be a CAIR NO_x Ozone Season allowance. No provision of the CAIR NO_x Ozone Season Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-2050 and no provision of law shall be construed to limit the authority of the United States or the board to terminate or limit such authorization, which does not constitute a property right.

"CAIR NO_x Ozone Season allowance deduction" or "deduct CAIR NO_x Ozone Season allowances" means the permanent withdrawal of CAIR NO_x Ozone Season allowances by the administrator from a compliance account in order to account for a specified number of tons of total nitrogen oxides emissions from all CAIR NO_x Ozone Season units at a CAIR NO_x Ozone Season source for a control period, determined in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, or to account for excess emissions.

"CAIR NO_x Ozone Season Allowance Tracking System" means the system by which the administrator records allocations, deductions, and transfers of CAIR NO_x Ozone Season allowances under the CAIR NO_x Ozone Season Trading Program. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

"CAIR NO_x Ozone Season Allowance Tracking System account" means an account in the CAIR NO_x Ozone Season Allowance Tracking System established by the administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR NO_x Ozone Season allowances.

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"CAIR NO_x Ozone Season allowances held" or "hold CAIR NO_x Ozone Season allowances" means the CAIR NO_x Ozone Season allowances recorded by the administrator, or submitted to the administrator for recordation, in accordance with Article 26 (9 VAC 5-140-2500 et seq.), Article 27 (9 VAC 5-140-2600 et seq.), and Article 29 (9 VAC 5-140-2800 et seq.) of this part, in a CAIR NO_x Ozone Season Allowance Tracking System account.

"CAIR NO_x Ozone Season emissions limitation" means, for a CAIR NO_x Ozone Season source, the tonnage equivalent of the CAIR NO_x Ozone Season allowances available for deduction for the source under 9 VAC 5-140-2540 A and B for a control period.

"CAIR NO_x Ozone Season Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with this part and 40 CFR 51.123, as a means of mitigating interstate transport of ozone and nitrogen oxides.

"CAIR NO_x Ozone Season source" means a source that includes one or more CAIR NO_x Ozone Season units.

"CAIR NO_x Ozone Season unit" means a unit that is subject to the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2040 and, except for purposes of 9 VAC 5-140-2050 and Article 25 (9 VAC 5-140-2400 et seq.) of this part, a CAIR NO_x Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seq.) of this part.

"CAIR NO_x source" means a source that includes one or more CAIR NO_x units.

"CAIR NO_x unit" means a unit that is subject to the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1040 and a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of Part II of this chapter.

"CAIR permit" means the title V operating permit or state operating permit, issued by the permitting authority under Article 23 (9 VAC 5-140-2200 et seq.) of this part, including any permit revisions, specifying the CAIR NO_x Ozone Season Trading Program requirements applicable to a CAIR NO_x Ozone Season source, to each CAIR NO_x Ozone Season unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

"CAIR SO₂ source" means a source that includes one or more CAIR SO₂ units.

"CAIR SO₂ Trading Program" means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the administrator in accordance with Part IV of this chapter and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

"CAIR SO₂ unit" means a unit that is subject to the CAIR SO₂ Trading Program under 9 VAC 5-140-3040 and a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of Part IV of this chapter.

"Clean Air Act" or "CAA" means the Clean Air Act, 42 U.S.C. 7401, et seq.

"Coal" means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

"Coal-derived fuel" means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

"Coal-fired" means:

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1. Except for purposes of Article 25 (9 VAC 5-140-2400 et seq.) of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during any year; or

2. For purposes of Article 25 (9 VAC 5-140-2400 et seq.) of this part, combusting any amount of coal or coal-derived fuel, alone or in combination with any amount of any other fuel, during a specified year.

“Cogeneration unit” means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

1. Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy; and

2. Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after which the unit first produces electricity –

a. For a topping-cycle cogeneration unit,

(1) Useful thermal energy not less than 5.0% of total energy output; and

(2) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5% of total energy input, if useful thermal energy produced is 15.0% or more of total energy output, or not less than 45.0% of total energy input, if useful thermal energy produced is less than 15.0% of total energy output.

b. For a bottoming-cycle cogeneration unit, useful power not less than 45.0% of total energy input.

“Combustion turbine” means:

1. An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

2. If the enclosed device under subdivision 1 of this definition is combined cycle, any associated heat recovery steam generator and steam turbine.

“Commence commercial operation” means, with regard to a unit serving a generator:

1. To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in 9 VAC 5-140-2050.

a. For a unit that is a CAIR NO_x Ozone Season unit under 9 VAC 50-140 2040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit that is a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

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2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-2050, for a unit that is not a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3 of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040.

a. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-2840 H or 9 VAC 5-140-2870 B 3, for a CAIR NO_x Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, the unit's date for commencement of commercial operation shall be the date on which the owner or operator is required to start monitoring and reporting the NO_x emissions rate and the heat input of the unit under 9 VAC 5-140-2840 B 1 a.

a. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

4. Notwithstanding subdivisions 1 through 3 of this definition, for a unit not serving a generator producing electricity for sale, the unit's date of commencement of operation shall also be the unit's date of commencement of commercial operation.

"Commence operation" means:

1. To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in 9 VAC 5-140-2050.

a. For a unit that is a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 on the date the unit commences operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit that is a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 on the date the unit commences operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-2050, for a unit that is not a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 on the date the

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unit commences operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3 of this definition, the unit's date for commencement of operation shall be the date on which the unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040.

a. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-2840 H or 9 VAC 5-140-2870 B 3, for a CAIR NO_x Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, the unit's date for commencement of operation shall be the date on which the owner or operator is required to start monitoring and reporting the NO_x emissions rate and the heat input of the unit under 9 VAC 5-140-2840 B 1 a.

a. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

"Common stack" means a single flue through which emissions from 2 or more units are exhausted.

"Compliance account" means a CAIR NO_x Ozone Season Allowance Tracking System account, established by the administrator for a CAIR NO_x Ozone Season source under Article 26 (9 VAC 5-140-2500 et seq.) or Article 29 (9 VAC 5-140-2800 et seq.) of this part, in which any CAIR NO_x Ozone Season allowance allocations for the CAIR NO_x Ozone Season units at the source are initially recorded and in which are held any CAIR NO_x Ozone Season allowances available for use for a control period in order to meet the source's CAIR NO_x Ozone Season emissions limitation in accordance with 9 VAC 5-140-2540.

"Continuous emission monitoring system" or "CEMS" means the equipment required under Article 28 (9 VAC 5-140-2700 et seq.) of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of nitrogen oxides emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with 40 CFR Part 75. The following systems are the principal types of continuous emission monitoring systems required under Article 28 (9 VAC 5-140-2700 et seq.) of this part:

1. A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

2. A nitrogen oxides concentration monitoring system, consisting of a NO_x pollutant concentration monitor and an automated data acquisition and handling system and providing a

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permanent, continuous record of NO_x emissions, in parts per million (ppm);

3. A nitrogen oxides emission rate (or NO_x-diluent) monitoring system, consisting of a NO_x pollutant concentration monitor, a diluent gas (CO₂ or O₂) monitor, and an automated data acquisition and handling system and providing a permanent, continuous record of NO_x concentration, in parts per million (ppm), diluent gas concentration, in percent CO₂ or O₂, and NO_x emission rate, in pounds per million British thermal units (lb/mmBtu);

4. A moisture monitoring system, as defined in 40 CFR 75.11(b)(2) and providing a permanent, continuous record of the stack gas moisture content, in percent H₂O;

5. A carbon dioxide monitoring system, consisting of a CO₂ pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO₂ concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO₂ emissions, in percent CO₂; and

6. An oxygen monitoring system, consisting of an O₂ concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O₂, in percent O₂;

"Control period" or "ozone season" means the period beginning May 1 of a calendar year, except as provided in 9 VAC 5-140-2060 C 2, and ending on September 30 of the same year, inclusive.

"Core trading program budget" means the amount of tons of NO_x emissions in the state trading program budget for the control period to which the new unit set-aside applies minus the new unit set-aside budget.

"Electricity for sale under firm contract to the grid" means electricity for sale where the capacity involved is intended to be available at all times during the period covered by a guaranteed commitment to deliver, even under adverse conditions.

"Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the administrator by the CAIR designated representative and as determined by the administrator in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part.

"Energy efficiency unit" means an end-use energy efficiency project implemented after January 1, 2006 that reduces electricity consumption according to an energy efficiency verification protocol acceptable to the board.

"Excess emissions" means any ton of nitrogen oxides emitted by the CAIR NO_x Ozone Season units at a CAIR NO_x Ozone Season source during a control period that exceeds the CAIR NO_x Ozone Season emissions limitation for the source.

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

"Fossil-fuel-fired" means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

"Fuel oil" means any petroleum-based fuel (including diesel fuel or petroleum derivatives such as oil tar) and any recycled or blended petroleum products or petroleum by-products used as a fuel whether in a liquid, solid, or gaseous state.

"General account" means a NO_x Ozone Season Allowance Tracking System account, established under Article 26 (9 VAC 5-140-2500 et seq.) of this part, that is not a compliance account.

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“Generator” means a device that produces electricity.

“Gross electrical output” means, with regard to a cogeneration unit, electricity made available for use, including any such electricity used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

“Heat input” means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the administrator by the CAIR designated representative and determined by the administrator in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

“Heat input rate” means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

“Implementation plan” means the portion or portions of the state implementation plan, or the most recent revision thereof, which has been approved in subpart VV of 40 CFR Part 52 by the administrator under § 110 of the CAA, or promulgated under § 110(c) of the CAA, or promulgated or approved pursuant to regulations promulgated under § 301(d) of the CAA and which implements the relevant requirements of the CAA.

“Life-of-the-unit, firm power contractual arrangement” means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

1. For the life of the unit;
2. For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
3. For a period no less than 25 years or 70.0% of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

“Maximum design heat input” means, starting from the initial installation of a unit, the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as specified by the manufacturer of the unit, or, starting from the completion of any subsequent physical change in the unit resulting in a decrease in the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis, such decreased maximum amount as specified by the person conducting the physical change.

“Monitoring system” means any monitoring system that meets the requirements of Article 28 (9 VAC 5-140-2700 et seq.) of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under 40 CFR Part 75.

“Most stringent state or federal NO_x emissions limitation” means the lowest NO_x emissions limitation (in lb/mmBtu) that is applicable to the unit under the Virginia Air Pollution Control Law or federal law, regardless of the averaging period to which the emissions limitation applies. In cases where a unit is subject to a permit which provides for the use of multiple fuels, the primary fuel shall be used as the basis to determine the most stringent state or federal NO_x emissions limitation. The primary fuel shall be the fuel

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designated in the permit as such or as having the greatest throughput.

"Nameplate capacity" means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as specified by the person conducting the physical change.

"New unit set-aside budget" means the sum of:

1. For CAIR NO_x Ozone Season units under 9 VAC 5-140-2040 A, the amount of tons of NO_x emissions in the state trading program budget for the control period to which the new unit set-aside applies multiplied by the set-aside percentage, rounded to the nearest whole number of NO_x allowances as appropriate.

2. For CAIR NO_x Ozone Season units under 9 VAC 5-140-2040 B, 700 tons of NO_x emissions for each control period.

"Non-electric generating unit (EGU)" means a source of NO_x emissions that is a unit with a maximum design heat input greater than 250 mmBtu/hr but not an EGU.

"Nonattainment condition" means a condition where any area is shown by air quality monitoring data or which is shown by an air quality impact analysis (using modeling or other methods determined by the board to be reliable) to exceed the levels allowed by the ambient air quality standard for a given pollutant, regardless of whether such demonstration is based on current or projected emissions data.

"Oil-fired" means, for purposes of Article 25 (9 VAC 5-140-2400 et seq.) of this part, combusting fuel oil for more than 15.0% of the annual heat input in a specified year and not qualifying as coal-fired.

"Operator" means any person who operates, controls, or supervises a CAIR NO_x Ozone Season unit or a CAIR NO_x Ozone Season source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

"Owner" means any of the following persons:

1. With regard to a CAIR NO_x Ozone Season source or a CAIR NO_x Ozone Season unit at a source, respectively:

a. Any holder of any portion of the legal or equitable title in a CAIR NO_x Ozone Season unit at the source or the CAIR NO_x Ozone Season unit;

b. Any holder of a leasehold interest in a CAIR NO_x Ozone Season unit at the source or the CAIR NO_x Ozone Season unit; or

c. Any purchaser of power from a CAIR NO_x Ozone Season unit at the source or the CAIR NO_x Ozone Season unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR NO_x Ozone Season unit; or

2. With regard to any general account, any person who has an ownership interest

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with respect to the CAIR NO_x Ozone Season allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR NO_x Ozone Season allowances.

"Permitting authority" means the State Air Pollution Control Board.

"Potential electrical output capacity" means 33.0% of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

"Receive or receipt of" means, when referring to the permitting authority or the administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official correspondence log, or by a notation made on the document, information, or correspondence, by the permitting authority or the administrator in the regular course of business.

"Recordation," "record," or "recorded" means, with regard to CAIR NO_x Ozone Season allowances, the movement of CAIR NO_x Ozone Season allowances by the administrator into or between CAIR NO_x Ozone Season Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

"Reference method" means any direct test method of sampling and analyzing for an air pollutant as specified in 40 CFR 75.22.

"Renewable energy unit" means a non-emitting electric generator that began commercial operation after January 1, 2006 and is powered by (i) wind, solar, ocean thermal, wave, geothermal, or biomass energy, or (ii) landfill gas.

"Repowered" means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

1. Atmospheric or pressurized fluidized bed combustion;

2. Integrated gasification combined cycle;

3. Magnetohydrodynamics;

4. Direct and indirect coal-fired turbines;

5. Integrated gasification fuel cells; or

6. As determined by the administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under subdivisions 1 through 5 of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

"Serial number" means, for a CAIR NO_x Ozone Season allowance, the unique identification number assigned to each CAIR NO_x Ozone Season allowance by the administrator.

"Sequential use of energy" means:

1. For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or

2. For a bottoming-cycle cogeneration unit, the use of reject heat from useful

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thermal energy application or process in electricity production.

"Set-aside percentage" means 5.0% for each control period in 2009 through 2013 or 2.0% for each control period in 2014 and thereafter.

"Source" means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of § 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

"State" means the Commonwealth of Virginia. The term "state" shall have its conventional meaning where such meaning is clear from the context.

"State operating permit" means a permit issued under Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"State operating permit regulations" means the regulations codified in Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Submit or serve" means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

1. In person;

2. By United States Postal Service; or

3. By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

"Title V operating permit" means a permit issued under Article 1 (9 VAC 5-80-50 et seq.) or Article 3 (9 VAC 5-80-360 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Title V operating permit regulations" means the regulations codified in Article 1 (9 VAC 5-80-50 et seq.), Article 2 (9 VAC 5-80-310 et seq.), Article 3 (9 VAC 5-80-360 et seq.), and Article 4 (9 VAC 5-80-710 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Ton" means 2,000 pounds. For the purpose of determining compliance with the CAIR NO_x Ozone Season emissions limitation, total tons of nitrogen oxides emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

"Topping-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

"Total energy input" means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself.

"Total energy output" means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

"Unit" means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

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“Unit operating day” means a calendar day in which a unit combusts any fuel.

“Unit operating hour” or “hour of unit operation” means an hour in which a unit combusts any fuel.

“Useful power” means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

“Useful thermal energy” means, with regard to a cogeneration unit, thermal energy that is:

1. Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

2. Used in a heating application (e.g., space heating or domestic hot water heating); or

3. Used in a space cooling application (i.e., thermal energy used by an absorption chiller).

“Utility power distribution system” means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

9 VAC 5-140-2030. Measurements, abbreviations, and acronyms.

Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu-British thermal unit.

CO₂-carbon dioxide.

NO_x-nitrogen oxides.

hr-hour.

kW-kilowatt electrical.

kWh-kilowatt hour.

mmBtu-million Btu.

MWe-megawatt electrical.

MWh-megawatt hour.

O₂-oxygen.

ppm-parts per million.

lb-pound.

scfh-standard cubic feet per hour.

SO₂-sulfur dioxide.

H₂O-water.

yr-year.

9 VAC 5-140-2040. Applicability.

The following units shall be CAIR NO_x Ozone Season units, and any source that includes one or more such units shall be a CAIR NO_x Ozone Season source, subject to the requirements of this article and Article 22 (9 VAC 5-140-2100 et seq.) through Article 28 (9 VAC 5-140-2700 et seq.) of this part:

A.1. Except as provided in subsection B of this section, a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for

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sale.

2. For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MWe and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to subsection A of this section starting on the day on which the unit first no longer qualifies as a cogeneration unit.

B.1. For units that commenced operation before January 1, 2006, a unit that is listed in 9 VAC 5-140-2430.

2. For units that commence operation on or after January 1, 2006, a unit with a maximum design heat input greater than 250 mmBtu/hr that:

a. At no time serves a generator producing electricity for sale under firm contract to the grid; or

b. At any time serves a generator producing electricity for sale under firm contract to the grid, if any such generator has a nameplate capacity of 25 MWe or less and has the potential to use no more than 50% of the potential electrical output capacity of the unit.

9 VAC 5-140-2050. Retired unit exemption.

A.1. Any CAIR NO_x Ozone Season unit that is permanently retired and is not a CAIR NO_x Ozone Season opt-in unit shall be exempt from the CAIR NO_x Ozone Season Trading Program, except for the provisions of this section, 9 VAC 5-140-2020, 9 VAC 5-140-2030, 9 VAC 5-140-2040, 9 VAC 5-140-2060 C 4 through 7, 9 VAC 5-140-2070, and Article 22 (9 VAC 5-140-2100 et seq.) and Article 25 (9 VAC 5-140-2400 et seq.) through Article 27 (9 VAC 5-140-2600 et seq.) of this part.

2. The exemption under subdivision 1 of this subsection shall become effective the day on which the CAIR NO_x Ozone Season unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the administrator. The statement shall state, in a format acceptable to the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of subsection B of this section.

3. After receipt of the statement under subdivision 2 of this subsection, the permitting authority will amend any permit under Article 23 (9 VAC 5-140-2200 et seq.) of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under subdivision 1 of this subsection and subsection B of this section.

B. Special provisions for exempt units shall be as follows:

1. A unit exempt under subsection A of this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect.

2. The permitting authority will allocate CAIR NO_x Ozone Season allowances under Article 25 (9 VAC 5-140-2400 et seq.) of this part to a unit exempt under subsection A of this section.

3. For a period of five years from the date the records are created, the owners and operators of a unit exempt under subsection A of this section shall retain at the source that includes the unit, records

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demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

4. The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under subsection A of this section shall comply with the requirements of the CAIR NO_x Ozone Season Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or shall be complied with, after the exemption takes effect.

5. A unit exempt under subsection A of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under 9 VAC 5-140-2220 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the unit resumes operation.

6. On the earlier of the following dates, a unit exempt under subsection A of this section shall lose its exemption:

a. The date on which the CAIR designated representative submits a CAIR permit application for the unit under subdivision 5 of this subsection;

b. The date on which the CAIR designated representative is required under subdivision 5 of this subsection to submit a CAIR permit application for the unit; or

c. The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

7. For the purpose of applying monitoring, reporting, and recordkeeping requirements under Article 28 (9 VAC 5-140-2700 et seq.) of this part, a unit that loses its exemption under subsection A of this section shall be treated as a unit that commences operation and commercial operation on the first date on which the unit resumes operation.

9 VAC 5-140-2060. Standard requirements.

A. Permit requirements shall be as follows:

1. The CAIR designated representative of each CAIR NO_x Ozone Season source required to have a title V operating permit and each CAIR NO_x Ozone Season unit required to have a title V operating permit at the source shall:

a. Submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-2220 in accordance with the deadlines specified in 9 VAC 5-140-2210; and

b. Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

2. The owners and operators of each CAIR NO_x Ozone Season source required to have a title V operating permit and each CAIR NO_x Ozone Season unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under Article 23 (9 VAC 5-140-2200 et seq.) of this part for the source and operate the source and the unit in compliance with such CAIR permit.

3. Except as provided in Article 29 (9 VAC 5-140-2800 et seq.) of this part, the owners and operators of a CAIR NO_x Ozone Season source that is not otherwise required to have a title V operating permit and each CAIR NO_x Ozone Season unit that is not otherwise required to have a title V operating

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permit are not required to submit a CAIR permit application, and to have a CAIR permit, under Article 23 (9 VAC 5-140-2200 et seq.) of this part for such CAIR NO_x Ozone Season source and such CAIR NO_x Ozone Season unit.

B. Monitoring, reporting, and recordkeeping requirements shall be performed as follows:

1. The owners and operators, and the CAIR designated representative, of each CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of Article 28 (9 VAC 5-140-2700 et seq.) of this part.

2. The emissions measurements recorded and reported in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part shall be used to determine compliance by each CAIR NO_x Ozone Season source with the CAIR NO_x Ozone Season emissions limitation under subsection C of this section.

C. Nitrogen oxides ozone season emission requirements shall be as follows:

1. As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source shall hold, in the source's compliance account, CAIR NO_x Ozone Season allowances available for compliance deductions for the control period under 9 VAC 5-140-2540 A in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_x Ozone Season units at the source, as determined in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part.

2. A CAIR NO_x Ozone Season unit shall be subject to the requirements under subdivision 1 of this subsection for the control period starting on the later of May 1, 2009 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-2700 B 1, 2, 3, or 7 and for each control period thereafter.

3. A CAIR NO_x Ozone Season allowance shall not be deducted, for compliance with the requirements under subdivision 1 of this subsection, for a control period in a calendar year before the year for which the CAIR NO_x Ozone Season allowance was allocated.

4. CAIR NO_x Ozone Season allowances shall be held in, deducted from, or transferred into or among CAIR NO_x Ozone Season Allowance Tracking System accounts in accordance with Article 25 (9 VAC 5-140-2400 et seq.) of this part.

5. A CAIR NO_x Ozone Season allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Ozone Season Trading Program. No provision of the CAIR NO_x Ozone Season Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-2050 and no provision of law shall be construed to limit the authority of the state or the United States to terminate or limit such authorization.

6. A CAIR NO_x Ozone Season allowance does not constitute a property right.

7. Upon recordation by the administrator under Article 26 (9 VAC 5-140-2500 et seq.), Article 27 (9 VAC 5-140-2600 et seq.), or Article 29 (9 VAC 5-140-2800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR NO_x Ozone Season allowance to or from a CAIR NO_x Ozone Season unit's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR NO_x Ozone Season unit.

D. If a CAIR NO_x Ozone Season source emits nitrogen oxides during any control period in excess of the CAIR NO_x Ozone Season emissions limitation, then:

1. The owners and operators of the source and each CAIR NO_x Ozone Season unit at the source shall surrender the CAIR NO_x Ozone Season allowances required for deduction under 9 VAC 5-140-

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2540 D 1 and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or the Virginia Air Pollution Control Law; and

2. Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this article, the Clean Air Act, and the Virginia Air Pollution Control Law.

E. Recordkeeping and reporting requirements shall be performed as follows:

1. Unless otherwise provided, the owners and operators of the CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time before the end of five years, in writing by the permitting authority or the administrator.

a. The certificate of representation under 9 VAC 5-140-2130 for the CAIR designated representative for the source and each CAIR NO_x Ozone Season unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under 9 VAC 5-140-2130 changing the CAIR designated representative.

b. All emissions monitoring information, in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, provided that to the extent that Article 28 (9 VAC 5-140-2700 et seq.) of this part provides for a 3-year period for recordkeeping, the 3-year period shall apply.

c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO_x Ozone Season Trading Program.

d. Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_x Ozone Season Trading Program or to demonstrate compliance with the requirements of the CAIR NO_x Ozone Season Trading Program.

2. The CAIR designated representative of a CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source shall submit the reports required under the CAIR NO_x Ozone Season Trading Program, including those under Article 28 (9 VAC 5-140-2700 et seq.) of this part.

F. Liability shall be assigned as follows:

1. Each CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit shall meet the requirements of the CAIR NO_x Ozone Season Trading Program.

2. Any provision of the CAIR NO_x Ozone Season Trading Program that applies to a CAIR NO_x Ozone Season source or the CAIR designated representative of a CAIR NO_x Ozone Season source shall also apply to the owners and operators of such source and of the CAIR NO_x Ozone Season units at the source.

3. Any provision of the CAIR NO_x Ozone Season Trading Program that applies to a CAIR NO_x Ozone Season unit or the CAIR designated representative of a CAIR NO_x Ozone Season unit shall also apply to the owners and operators of such unit.

G. No provision of the CAIR NO_x Ozone Season Trading Program, a CAIR permit application, a CAIR permit, or an exemption under 9 VAC 5-140-2050 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO_x Ozone Season source or CAIR NO_x Ozone Season unit from compliance with any other provision of the applicable, approved state implementation plan, a state operating permit, the Virginia Air Pollution Control Law, or the Clean Air Act.

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H. The following requirements apply to any CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source located in a nonattainment area designated in 9 VAC 5-20-204:

1. No owner, operator or other person shall cause or permit to be discharged into the atmosphere from any CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source any NO_x emissions in excess of the NO_x allowances allocated for the CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source in accordance with 9 VAC 5-140-2420.

2. A CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source shall be subject to the requirements under subdivision 1 of this subsection for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-2700 B 1, 2, or 5 and for each control period thereafter.

3. No NO_x allowances other than those issued to a CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source in accordance with 9 VAC 5-140-2420 may be used to demonstrate compliance with the emission standard in subdivision 1 of this subsection. Compliance with this subsection shall be demonstrated annually, based on a comparison of (i) the total NO_x emissions (expressed in tons) from each CAIR NO_x Ozone Season unit during the preceding control period, as determined in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part and (ii) the number of NO_x allowances (expressed in tons) allocated for the CAIR NO_x Ozone Season unit for the preceding control period in accordance with 9 VAC 5-140-2420. However, this subsection does not otherwise prohibit any CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source from participating in the CAIR NO_x Ozone Season Trading Program.

4. If the board determines that the provisions of this subsection may be waived for a CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source without the CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source causing or contributing to a violation of any air quality standard or a nonattainment condition, the board may issue a state operating permit granting relief from the requirements of this subsection. The board may include in any permit issued to implement this subdivision any terms and conditions the board determines are necessary to ensure that the CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source will not cause or contribute to a violation of any air quality standard or a nonattainment condition.

I. Nothing in this article shall prevent the board from issuing a state operating permit in order to:

1. Cap the emissions of a CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source contributing to a violation of any air quality standard or a nonattainment condition;

2. Remedy a situation that may cause or contribute to nonattainment condition or the endangerment of human health or welfare; or

3. Establish a source-specific emission standard or other requirements necessary to implement the federal Clean Air Act or the Virginia Air Pollution Control Law.

J. Nothing in this article shall prevent the board from including in any permit issued to implement subsection I of this section any terms and conditions that would prohibit any CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source subject to this article from engaging in any emissions trading activities or using any emissions credits obtained from emissions reductions external to the CAIR NO_x Ozone Season unit or CAIR NO_x Ozone Season source to comply with the requirements of this article. Ozone Season Trading Program.

9 VAC 5-140-2070. Computation of time.

A. Unless otherwise stated, any time period scheduled, under the CAIR NO_x Ozone Season Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

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B. Unless otherwise stated, any time period scheduled, under the CAIR NO_x Ozone Season Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

C. Unless otherwise stated, if the final day of any time period, under the CAIR NO_x Ozone Season Trading Program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.

9 VAC 5-140-2080. Appeal Procedures.

The appeal procedures for decisions of the administrator under the CAIR NO_x Ozone Season Trading Program are set forth in 40 CFR Part 78.

Article 22.

CAIR Designated Representative for CAIR NO_x Ozone Season Sources.

9 VAC 5-140-2100. Authorization and responsibilities of CAIR designated representative.

A. Except as provided under 9 VAC 5-140-2110, each CAIR NO_x Ozone Season source, including all CAIR NO_x Ozone Season units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR NO_x Ozone Season Trading Program concerning the source or any CAIR NO_x Ozone Season unit at the source.

B. The CAIR designated representative of the CAIR NO_x Ozone Season source shall be selected by an agreement binding on the owners and operators of the source and all CAIR NO_x Ozone Season units at the source and shall act in accordance with the certification statement in 9 VAC 5-140-2130 A 4 d.

C. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-2130, the CAIR designated representative of the source shall represent and, by the CAIR designated representative's representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR NO_x Ozone Season source represented and each CAIR NO_x Ozone Season unit at the source in all matters pertaining to the CAIR NO_x Ozone Season Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the administrator, or a court regarding the source or unit.

D. No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR NO_x Ozone Season Allowance Tracking System account will be established for a CAIR NO_x Ozone Season unit at a source, until the administrator has received a complete certificate of representation under 9 VAC 5-140-2130 for a CAIR designated representative of the source and the CAIR NO_x Ozone Season units at the source.

E.1. Each submission under the CAIR NO_x Ozone Season Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR NO_x Ozone Season source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

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2. The permitting authority and the administrator will accept or act on a submission made on behalf of owner or operators of a CAIR NO_x Ozone Season source or a CAIR NO_x Ozone Season unit only if the submission has been made, signed, and certified in accordance with subdivision 1 of this subsection.

9 VAC 5-140-2110. Alternate CAIR designated representative.

A. A certificate of representation under 9 VAC 5-140-2130 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

B. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-2130, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

C. Except in this section and 9 VAC 5-140-2020, 9 VAC 5-140-2100 A and D, 9 VAC 5-140-2120, 9 VAC 5-140-2130, 9 VAC 5-140-2510, and 9 VAC 5-140-2820 whenever the term "CAIR designated representative" is used in this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

9 VAC 5-140-2120. Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.

A. The CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-2130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR NO_x Ozone Season source and the CAIR NO_x Ozone Season units at the source.

B. The alternate CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-2130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR NO_x Ozone Season source and the CAIR NO_x Ozone Season units at the source.

C. Changes in owners and operators shall be established as follows:

1. In the event a new owner or operator of a CAIR NO_x Ozone Season source or a CAIR NO_x Ozone Season unit is not included in the list of owners and operators in the certificate of representation under 9 VAC 5-140-2130, such new owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the permitting authority, the administrator, or a court, as if the new owner or operator were included in such list.

2. Within 30 days following any change in the owners and operators of a CAIR NO_x Ozone Season source or a CAIR NO_x Ozone Season unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to

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the certificate of representation under 9 VAC 5-140-2130 amending the list of owners and operators to include the change.

9 VAC 5-140-2130. Certificate of representation.

A. A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the administrator:

1. Identification of the CAIR NO_x Ozone Season source, and each CAIR NO_x Ozone Season unit at the source, for which the certificate of representation is submitted.

2. The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

3. A list of the owners and operators of the CAIR NO_x Ozone Season source and of each CAIR NO_x Ozone Season unit at the source.

4. The following certification statements by the CAIR designated representative and any alternate CAIR designated representative--

a. "I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR NO_x Ozone Season unit at the source."

b. "I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO_x Ozone Season Trading Program on behalf of the owners and operators of the source and of each CAIR NO_x Ozone Season unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions."

c. "I certify that the owners and operators of the source and of each CAIR NO_x Ozone Season unit at the source shall be bound by any order issued to me by the administrator, the permitting authority, or a court regarding the source or unit."

d. "Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR NO_x Ozone Season unit, or where a customer purchases power from a CAIR NO_x Ozone Season unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the 'CAIR designated representative' or 'alternate CAIR designated representative,' as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR NO_x Ozone Season unit at the source; and CAIR NO_x Ozone Season allowances and proceeds of transactions involving CAIR NO_x Ozone Season allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR NO_x Ozone Season allowances by contract, CAIR NO_x Ozone Season allowances and proceeds of transactions involving CAIR NO_x Ozone Season allowances will be deemed to be held or distributed in accordance with the contract."

5. The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

B. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

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9 VAC 5-140-2140. Objections concerning CAIR designated representative.

A. Once a complete certificate of representation under 9 VAC 5-140-2130 has been submitted and received, the permitting authority and the administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under 9 VAC 5-140-2130 is received by the administrator.

B. Except as provided in 9 VAC 5-140-2120 A or B, no objection or other communication submitted to the permitting authority or the administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the administrator under the CAIR NO_x Ozone Season Trading Program.

C. Neither the permitting authority nor the administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR NO_x Ozone Season allowance transfers.

Article 23.
Permits.

9 VAC 5-140-2200. General CAIR NO_x Ozone Season Trading Program permit requirements.

A. For each CAIR NO_x Ozone Season source required to have a title V operating permit or required under Article 29 (9 VAC 5-140-2800 et seq.) of this part, to have a title V operating permit or other state operating permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the state operating permit as applicable. The CAIR portion of the title V permit or state operating permit as applicable shall be administered in accordance with the permitting authority's title V operating permit regulations or regulations for state operating permits as applicable, except as provided otherwise by this article and Article 29 (9 VAC 5-140-2800 et seq.) of this part.

B. Each CAIR permit shall contain, with regard to the CAIR NO_x Ozone Season source and the CAIR NO_x Ozone Season units at the source covered by the CAIR permit, all applicable CAIR NO_x Ozone Season Trading Program, CAIR NO_x Annual Trading Program, and CAIR SO₂ Trading Program requirements and shall be a complete and separable portion of the title V operating permit or other state operating permit under subsection A of this section.

9 VAC 5-140-2210. Submission of CAIR permit applications.

A. The CAIR designated representative of any CAIR NO_x Ozone Season source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-2220 for the source covering each CAIR NO_x Ozone Season unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2009 or the date on which the CAIR NO_x Ozone Season unit commences operation.

B. For a CAIR NO_x Ozone Season source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under 9 VAC 5-140-2220 for the source covering each CAIR NO_x Ozone Season unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permit regulations addressing permit renewal.

9 VAC 5-140-2220. Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR NO_x

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Ozone Season source for which the application is submitted, in a format acceptable to the permitting authority:

- A. Identification of the CAIR NO_x Ozone Season source:
- B. Identification of each CAIR NO_x Ozone Season unit at the CAIR NO_x Ozone Season source; and
- C. The standard requirements under 9 VAC 5-140-2060.

9 VAC 5-140-2230. CAIR permit contents and term.

- A. Each CAIR permit will contain, in a format acceptable to the permitting authority, all elements required for a complete CAIR permit application under 9 VAC 5-140-2220.
- B. Each CAIR permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-2020 and, upon recordation by the administrator under Article 26 (9 VAC 5-140-2500 et seq.), Article 27 (9 VAC 5-140-2600 et seq.), or Article 29 (9 VAC 5-140-2800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR NO_x Ozone Season allowance to or from the compliance account of the CAIR NO_x Ozone Season source covered by the permit.
- C. The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR NO_x Ozone Season source's title V operating permit or state operating permit as applicable.

9 VAC 5-140-2240. CAIR permit revisions.

Except as provided in 9 VAC 5-140-2230 B, the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permit regulations or the permitting authority's regulations for state operating permits as applicable addressing permit revisions.

Article 24.
[Reserved].

Article 25.
CAIR NO_x Ozone Season Allowance Allocations.

9 VAC 5-140-2400. State trading budgets.

A. The state trading budgets for annual allocations of CAIR NO_x ozone season allowances for the control periods are as follows:

1. For use in each control period in 2009 through 2014, the total number of NO_x tons apportioned to all CAIR NO_x Ozone Season units is 15,994.
2. For use in each control period in 2015 and thereafter, the total number of NO_x tons apportioned to all CAIR NO_x Ozone Season units is 13,328.

B. The amount in the state trading budget for a control period in a calendar year will be the sum of the amount set forth for the year in subsection A of this section and the amount of additional CAIR NO_x Ozone Season allowance allocations issued under 9 VAC 5-140-2405 for the year.

9 VAC 5-140-2405. Total non-electric generating unit allocations.

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For use in each control period in 2009 and thereafter, the total number of NO_x tons apportioned to all CAIR NO_x Ozone Season units under 9 VAC 5-140-2040 B is 3,840.

9 VAC 5-140-2410. Timing requirements for CAIR NO_x Ozone Season allowance allocations.

A. By October 31, 2006, the permitting authority will submit to the administrator the CAIR NO_x Ozone Season allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-2420 A and C, for the control periods in 2009, 2010, 2011, 2012, and 2013.

B.1. By October 31, 2009 and October 31 of each year thereafter, the permitting authority will submit to the administrator the CAIR NO_x Ozone Season allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-2420 A and C, for the control period in the fifth year after the year of the applicable deadline for submission under this subsection.

2. If the permitting authority fails to submit to the administrator the CAIR NO_x Ozone Season allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x Ozone Season allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83.0% of the allocations for the control period that immediately precedes the applicable control period.

C.1. By July 31, 2009, the permitting authority will submit to the administrator the CAIR NO_x Ozone Season allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-2420 A, B, D, and F, for the control periods in 2009, 2010, 2011, 2012, and 2013.

2. If the permitting authority fails to submit to the administrator the CAIR NO_x Ozone Season allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x Ozone Season allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83.0% of the allocations for the control period that immediately precedes the applicable control period and except that any CAIR NO_x Ozone Season unit that would otherwise be allocated CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2420 A, B, and C, as well as under 9 VAC 5-140-2420 A, B, D, and F, for the applicable control period will be assumed to be allocated no CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2420 A, B, D, and F for the applicable control period.

D.1. By July 31, 2014 and July 31 of each year thereafter, the permitting authority will submit to the administrator the CAIR NO_x Ozone Season allowance allocations, in a format prescribed by the administrator and in accordance with 9 VAC 5-140-2420 A, B, E, and F, for the control period in the year of the applicable deadline for submission under this subsection.

2. If the permitting authority fails to submit to the administrator the CAIR NO_x Ozone Season allowance allocations in accordance with subdivision 1 of this subsection, the administrator will assume that the allocations of CAIR NO_x Ozone Season allowances for the applicable control period are the same as for the control period that immediately precedes the applicable control period, except that, if the applicable control period is in 2014, the administrator will assume that the allocations equal 83.0% of the allocations for the control period that immediately precedes the applicable control period and except that any CAIR NO_x Ozone Season unit that would otherwise be allocated CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2420 A, B, and C, as well as under 9 VAC 5-140-2420 A, B, E, and F, for the applicable control period will be assumed to be allocated no CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2420 A, B, E, and F for the applicable control period.

9 VAC 5-140-2420. CAIR NO_x Ozone Season allowance allocations.

A.1. The baseline heat input (in mmBtu) used with respect to CAIR NO_x Ozone Season allowance

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allocations under subsection C of this section for each CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 A will be:

a. For units commencing operation before January 1, 2006, the average of the three highest amounts of the unit's control period heat input for the five years prior to the allocation year. For units operating each calendar year during a period of at least one but less than five consecutive calendar years, one year or, where available, the average of the two highest amounts of the unit's control period heat input over the consecutive years of operation.

b. For units commencing operation on or after January 1, 2006:

(1) For units operating each calendar year during a period of five or more consecutive calendar years, the average of the three highest amounts of the unit's total converted control period heat input over the most recent five years prior to the allocation year.

(2) For units operating each calendar year during a period of at least three but less than five consecutive calendar years, the average of the three highest amounts of the unit's total converted control period heat input over the consecutive years of operation.

(3) For units operating each calendar year during a period of at least one but less than five consecutive calendar years, one year or, where available, the average of the two highest amounts of the unit's control period heat input over the consecutive years of operation.

2.a. A unit's control period heat input for a calendar year under subdivision 1 a of this subsection, and a unit's total tons of NO_x emissions during a control period in a calendar year under subdivision D 3 of this section, will be determined in accordance with 40 CFR Part 75, to the extent the unit was otherwise subject to the requirements of 40 CFR Part 75 for the year, or will be based on the best available data reported to the permitting authority for the unit, to the extent the unit was not otherwise subject to the requirements of 40 CFR Part 75 for the year.

b. A unit's converted control period heat input for a calendar year specified under subdivision 1 b of this subsection equals:

(1) Except as provided in subdivision (2) of this subdivision, the control period gross electrical output of the generator or generators served by the unit multiplied by 7,900 Btu/kWh and divided by 1,000,000 Btu/mmBtu, provided that if a generator is served by two or more units, then the gross electrical output of the generator will be attributed to each unit in proportion to the unit's share of the total control period heat input of such units for the year;

(2) For a unit that has equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy, the control period gross electrical output of the unit multiplied by 7,900 Btu/kWh plus the useful thermal energy (in Btu) produced during the control period, divided by 0.8 and by 1,000,000 Btu/mmBtu.

B.1. For units commencing operation on or after January 1, 2006, the baseline heat input (in mmBtu) used with respect to CAIR NO_x Ozone Season allowance allocations under subsection C of this section for each CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 B will be:

a. For units operating each calendar year during a period of five or more consecutive calendar years, the average of the three highest amounts of the unit's total control period heat input over the most recent five years prior to the allocation year.

b. For units operating each calendar year during a period of at least three but less than five consecutive calendar years, the average of the three highest amounts of the unit's total control period heat input over the consecutive years of operation.

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2. A unit's control period heat input for a calendar year under subdivision 1 of this subsection, and a unit's total tons of NO_x emissions during a control period in a calendar year under subdivision D 3 of this section, will be determined in accordance with 40 CFR Part 75, to the extent the unit was otherwise subject to the requirements of 40 CFR Part 75 for the year, or will be based on the best available data reported to the permitting authority for the unit, to the extent the unit was not otherwise subject to the requirements of 40 CFR Part 75 for the year.

C.1. For each control period in 2009 and thereafter, the permitting authority will allocate to all CAIR NO_x Ozone Season units that have a baseline heat input (as determined under subsections A and B of this section) a total amount of CAIR NO_x Ozone Season allowances equal to the core trading program budget (except as provided in subsection F of this section).

2. The permitting authority will allocate CAIR NO_x Ozone Season allowances to each CAIR NO_x Ozone Season unit under subdivision 1 of this subsection in an amount determined by multiplying the total amount of CAIR NO_x Ozone Season allowances allocated under subdivision 1 of this subsection by the ratio of the baseline heat input of such CAIR NO_x Ozone Season unit to the total amount of baseline heat input of all such CAIR NO_x Ozone Season units and rounding to the nearest whole allowance as appropriate.

D. For each control period in 2009 through 2013, the permitting authority will allocate CAIR NO_x Ozone Season allowances to CAIR NO_x Ozone Season units that commenced operation on or after January 1, 2006 and do not yet have a baseline heat input (as determined under subsections A and B of this section), in accordance with the following procedures:

1. The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO_x Ozone Season allowances equal to the new unit set-aside budget.

2. The CAIR designated representative of such a CAIR NO_x Ozone Season unit may submit to the permitting authority a request, in a format acceptable to the permitting authority, to be allocated CAIR NO_x Ozone Season allowances, starting with the control period in 2009 and until the later of the control period in 2014 or the first control period for which the unit is allocated CAIR NO_x Ozone Season allowances under subsection C of this section. The CAIR NO_x Ozone Season allowance allocation request shall be submitted on or before April 1 before the first control period for which the CAIR NO_x Ozone Season allowances are requested and after the date on which the CAIR NO_x Ozone Season unit commences commercial operation.

3. In a CAIR NO_x Ozone Season allowance allocation request under subdivision 2 of this subsection, the CAIR designated representative may request for a control period CAIR NO_x Ozone Season allowances in an amount not exceeding the CAIR NO_x Ozone Season unit's total tons of NO_x emissions during the control period immediately before such control period.

4. The permitting authority will review each CAIR NO_x Ozone Season allowance allocation request under subdivision 2 of this subsection and will allocate CAIR NO_x Ozone Season allowances for each control period pursuant to such request as follows:

a. The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of subdivisions 2 and 3 of this subsection.

b. On or after April 1 before the control period, the permitting authority will determine the sum of the CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subsection) in all allowance allocation requests accepted under subdivision a of this subsection for the control period.

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c. If the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period is greater than or equal to the sum under subdivision b of this subdivision, then the permitting authority will allocate the amount of CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subdivision) to each CAIR NO_x Ozone Season unit covered by an allowance allocation request accepted under subdivision a of this subdivision.

d. If the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period is less than the sum under subdivision b of this subdivision, then the permitting authority will allocate to each CAIR NO_x Ozone Season unit covered by an allowance allocation request accepted under subdivision a of this subdivision the amount of the CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subdivision), multiplied by the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period, divided by the sum determined under subdivision b of this subdivision, and rounded to the nearest whole allowance as appropriate.

e. The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO_x Ozone Season allowances (if any) allocated for the control period to the CAIR NO_x Ozone Season unit covered by the request.

E. For each control period in 2014 and thereafter, the permitting authority will allocate CAIR NO_x Ozone Season allowances to CAIR NO_x Ozone Season units that commenced operation on or after January 1, 2006 and do not yet have a baseline heat input (as determined under subsections A and B of this section), in accordance with the following procedures:

1. The permitting authority will establish a separate new unit set-aside for each control period. Each new unit set-aside will be allocated CAIR NO_x Ozone Season allowances equal to the new unit set-aside budget.

2. The CAIR designated representative of such a CAIR NO_x Ozone Season unit may submit to the permitting authority a request, in a format acceptable to the permitting authority, to be allocated CAIR NO_x Ozone Season allowances, starting with the later of the control period in 2014 or the first control period after the control period in which the CAIR NO_x Ozone Season unit commences commercial operation and until the first control period for which the unit is allocated CAIR NO_x Ozone Season allowances under subsection B of this section. The CAIR NO_x Ozone Season allowance allocation request shall be submitted on or before April 1 before the first control period for which the CAIR NO_x Ozone Season allowances are requested and after the date on which the CAIR NO_x Ozone Season unit commences commercial operation.

3. In a CAIR NO_x Ozone Season allowance allocation request under subdivision 2 of this subsection, the CAIR designated representative may request for a control period CAIR NO_x Ozone Season allowances in an amount not exceeding the CAIR NO_x Ozone Season unit's total tons of NO_x emissions during the control period immediately before such control period.

4. The permitting authority will review each CAIR NO_x Ozone Season allowance allocation request under subdivision 2 of this subsection and will allocate CAIR NO_x Ozone Season allowances for each control period pursuant to such request as follows:

a. The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of subdivisions 2 and 3 of this subsection.

b. On or after April 1 before the control period, the permitting authority will determine the sum of the CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subsection) in all allowance allocation requests accepted under subdivision a of this subsection for the control period.

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c. If the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period is greater than or equal to the sum under subdivision b of this subdivision, then the permitting authority will allocate the amount of CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subdivision) to each CAIR NO_x Ozone Season unit covered by an allowance allocation request accepted under subdivision a of this subdivision.

d. If the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period is less than the sum under subdivision b of this subdivision, then the permitting authority will allocate to each CAIR NO_x Ozone Season unit covered by an allowance allocation request accepted under subdivision a of this subdivision the amount of the CAIR NO_x Ozone Season allowances requested (as adjusted under subdivision a of this subdivision), multiplied by the amount of CAIR NO_x Ozone Season allowances in the new unit set-aside for the control period, divided by the sum determined under subdivision b of this subdivision, and rounded to the nearest whole allowance as appropriate.

e. The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO_x Ozone Season allowances (if any) allocated for the control period to the CAIR NO_x Ozone Season unit covered by the request.

F. If, after completion of the procedures under subdivision D 4 or E 4 of this section for a control period, any unallocated CAIR NO_x Ozone Season allowances remain in the new unit set-aside for the control period, the permitting authority will allocate to each CAIR NO_x Ozone Season unit that was allocated CAIR NO_x Ozone Season allowances under subsection C of this section an amount of CAIR NO_x Ozone Season allowances equal to the total amount of such remaining unallocated CAIR NO_x Ozone Season allowances, multiplied by the unit's allocation under subsection C of this section, divided by the core trading budget, and rounded to the nearest whole allowance as appropriate.

G. For each control period in 2009 and thereafter, the permitting authority will allocate CAIR NO_x allowances to qualifying energy efficiency and renewable energy units in accordance with the following procedures:

1. The total number of NO_x tons available for the new energy efficiency/renewable set aside for annual allocations of CAIR NO_x ozone season allowances for use in each control period for the years 2009 and thereafter is 36.

2. The CAIR designated representative of such an energy efficiency/renewable energy unit may submit to the permitting authority a request, in a format acceptable to the permitting authority, to be allocated CAIR NO_x allowances, starting with the later of the control period in 2009 or the first control period after the control period in which the energy efficiency or renewable unit commences commercial operation. The CAIR NO_x allowance allocation request must be submitted on or before July 1 of the first control period for which the CAIR NO_x allowances are requested and after the date on which the energy efficiency or renewable unit commences commercial operation.

3. In a CAIR NO_x allowance allocation request under subdivision 2 of this subsection, the CAIR designated representative may request for a control period CAIR NO_x allowances in an amount not exceeding:

a. For a renewable energy unit, the control period gross electrical output of the facility during the calendar year immediately before such control period multiplied by 1.5 lb/MWh for the years 2009-2014, or 1.25 lb/MWh for 2015 and thereafter and divided by 2000 and rounded to nearest whole allowance as appropriate.

b. For an energy efficiency project, the control period verified reduction in electricity consumption during the calendar year immediately before such control period multiplied by 1.5 lb/MWh for the years 2009- 2013, or 1.25 lb/MWh for 2014 and thereafter and divided by 2000 and rounded to the nearest whole allowance as appropriate.

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4. The permitting authority will review each CAIR NO_x allowance allocation request under subdivision 2 of this subsection section and will allocate CAIR NO_x allowances for each control period pursuant to such request as follows:

a. The permitting authority will accept an allowance allocation request only if the request meets, or is adjusted by the permitting authority as necessary to meet, the requirements of subdivisions 2 and 3 of this subsection.

b. On or after July 1 of the control period, the permitting authority will determine the sum of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) in all allowance allocation requests accepted under subdivision a of this subdivision for the control period.

c. If the amount of CAIR NO_x allowances in the energy efficiency/renewable set-aside for the control period is greater than or equal to the sum under subdivision b of this subdivision, the permitting authority will allocate the amount of CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision) to each energy efficiency/renewable unit covered by an allowance allocation request accepted under subdivision a of this subdivision.

d. If the amount of CAIR NO_x allowances in the energy efficiency/renewable set-aside for the control period is less than the sum under subdivision b of this subdivision, the permitting authority will allocate to each energy efficiency/renewable unit covered by an allowance allocation request accepted under subdivision a of this subdivision the amount of the CAIR NO_x allowances requested (as adjusted under subdivision a of this subdivision), multiplied by the amount of CAIR NO_x allowances in the energy efficiency/renewable unit set-aside for the control period, divided by the sum determined under subdivision b of this subdivision, and rounded to the nearest whole allowance as appropriate.

5. The permitting authority will notify each CAIR designated representative that submitted an allowance allocation request of the amount of CAIR NO_x allowances (if any) allocated for the control period to the energy efficiency/renewable unit covered by the request.

6. If, after completion of the procedures under subdivision 4 of this subsection for a control period, any unallocated CAIR NO_x allowances have remained in the energy efficiency/renewable set-aside for more than three control periods, the permitting authority will permanently retire those allowances and they will not be available for compliance for any CAIR NO_x unit.

H. For each control period in 2009 and thereafter, the permitting authority will establish an annual voluntary public health set-aside. Any allowances contributed to the public health set-aside will be permanently retired and will not be available for compliance for any affected unit.

9 VAC 5-140-2430. Individual non-electric generating unit allocations.

For use in each control period for the year 2009 and each year thereafter, the number of NO_x tons apportioned to each CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 B 1 is as follows:

<u>Plant</u>	<u>Stack ID</u>	<u>Point ID</u>	<u>NO_x Allocation (Tons per control period)</u>
<u>CELANESE ACETATE LLC</u>	<u>001</u>	<u>001</u>	<u>154</u>
<u>CELANESE ACETATE LLC</u>	<u>002</u>	<u>002</u>	<u>55</u>
<u>DAN RIVER INC (SCHOOLFIELD DIV)</u>	<u>003</u>	<u>003</u>	<u>100</u>
<u>GEORGIA-PACIFIC - BIG ISLAND MILL</u>	<u>001</u>	<u>002</u>	<u>89</u>

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<u>GEORGIA-PACIFIC - BIG ISLAND MILL</u>	<u>005</u>	<u>005</u>	<u>103</u>
<u>HONEYWELL INTERNATIONAL INC</u>	<u>100</u>	<u>10A</u>	<u>0</u>
<u>HONEYWELL INTERNATIONAL INC</u>	<u>101</u>	<u>10B</u>	<u>200</u>
<u>HONEYWELL INTERNATIONAL INC</u>	<u>102</u>	<u>10C</u>	<u>156</u>
<u>INTERNATIONAL PAPER – FRANKLIN</u>	<u>001</u>	<u>003</u>	<u>306</u>
<u>INTERNATIONAL PAPER – FRANKLIN</u>	<u>012</u>	<u>017</u>	<u>107</u>
<u>INTERNATIONAL PAPER – FRANKLIN</u>	<u>022</u>	<u>029</u>	<u>262</u>
<u>ST. LAURENT PAPER PRODUCTS CORP.</u>	<u>002</u>	<u>002</u>	<u>292</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>001</u>	<u>001</u>	<u>293</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>002</u>	<u>002</u>	<u>158</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>003</u>	<u>003</u>	<u>243</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>004</u>	<u>004</u>	<u>429</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>005</u>	<u>005</u>	<u>87</u>
<u>WESTVACO CORP BLEACHED BOARD</u>	<u>024</u>	<u>011</u>	<u>70</u>
<u>TOTAL</u>			<u>3104</u>

Article 26.

CAIR NO_x Ozone Season Allowance Tracking System.

9 VAC 5-140-2500. [Reserved].

9 VAC 5-140-2510. Establishment of accounts.

A. Except as provided in 9 VAC 5-140-2840 E, upon receipt of a complete certificate of representation under 9 VAC 5-140-2130, the administrator will establish a compliance account for the CAIR NO_x Ozone Season source for which the certificate of representation was submitted, unless the source already has a compliance account.

B. General accounts shall be established as follows:

1. Applications for general accounts shall be submitted as follows:

a. Any person may apply to open a general account for the purpose of holding and transferring CAIR NO_x Ozone Season allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

b. A complete application for a general account shall be submitted to the administrator and shall include the following elements in a format prescribed by the administrator:

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(1) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(2) Organization name and type of organization, if applicable;

(3) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR NO_x Ozone Season allowances held in the general account;

(4) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR NO_x Ozone Season allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR NO_x Ozone Season Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the administrator or a court regarding the general account."

(5) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

c. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

2. Authorization of a CAIR authorized account representative shall be established as follows:

a. Upon receipt by the administrator of a complete application for a general account under subdivision 1 of this subsection:

(1) The administrator will establish a general account for the person or persons for whom the application is submitted.

(2) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by such persons' representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR NO_x Ozone Season allowances held in the general account in all matters pertaining to the CAIR NO_x Ozone Season Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the administrator or a court regarding the general account.

(3) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

b. Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR NO_x Ozone Season

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allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR NO_x Ozone Season allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

c. The administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with subdivision b of this subdivision.

3. Changing the CAIR authorized account representative and alternate CAIR authorized account representative and changes in persons with ownership interest shall be accomplished as follows:

a. The CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision 1 of this subsection. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO_x Ozone Season allowances in the general account.

b. The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision 1 of this subsection. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR NO_x Ozone Season allowances in the general account.

c.(1) In the event a new person having an ownership interest with respect to CAIR NO_x Ozone Season allowances in the general account is not included in the list of such persons in the application for a general account, such new person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the administrator or a court, as if the new person were included in such list.

(2) Within 30 days following any change in the persons having an ownership interest with respect to CAIR NO_x Ozone Season allowances in the general account, including the addition of persons, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR NO_x Ozone Season allowances in the general account to include the change.

4. Objections concerning the CAIR authorized account representative shall be processed as follows:

a. Once a complete application for a general account under subdivision 1 of this subsection has been submitted and received, the administrator will rely on the application unless and until a superseding complete application for a general account under subdivision 1 of this subsection is received by

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the administrator.

b. Except as provided in subdivision 3 a or b of this subsection, no objection or other communication submitted to the administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative or the finality of any decision or order by the administrator under the CAIR NO_x Ozone Season Trading Program.

c. The administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR NO_x Ozone Season allowance transfers.

C. The administrator will assign a unique identifying number to each account established under subsection A or B of this section.

9 VAC 5-140-2520. Responsibilities of CAIR authorized account representative.

Following the establishment of a CAIR NO_x Ozone Season Allowance Tracking System account, all submissions to the administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR NO_x Ozone Season allowances in the account, shall be made only by the CAIR authorized account representative for the account.

9 VAC 5-140-2530. Recordation of CAIR NO_x Ozone Season allowance allocations.

A. The administrator will record in the CAIR NO_x Ozone Season source's compliance account the CAIR NO_x Ozone Season allowances allocated for the CAIR NO_x Ozone Season units at a source, as submitted by the permitting authority in accordance with 9 VAC 5-2410 A, for the control periods in 2009, 2010, 2011, 2012, and 2013.

B. By December 1, 2009, the administrator will record in the CAIR NO_x Ozone Season source's compliance account the CAIR NO_x Ozone Season allowances allocated for the CAIR NO_x Ozone Season units at the source, as submitted by the permitting authority or as determined by the administrator in accordance with 9 VAC 5-140-2410 B, for the control period in 2014.

C. In 2011 and each year thereafter, after the administrator has made all deductions (if any) from a CAIR NO_x Ozone Season source's compliance account under 9 VAC 5-140-2540, the administrator will record in the CAIR NO_x Ozone Season source's compliance account the CAIR NO_x Ozone Season allowances allocated for the CAIR NO_x Ozone Season units at the source, as submitted by the permitting authority or determined by the administrator in accordance with 9 VAC 5-140-2410 B, for the control period in the fifth year after the year of the control period for which such deductions were or could have been made.

D. By September 1, 2009 and September 1 of each year thereafter, the administrator will record in the CAIR NO_x Ozone Season source's compliance account the CAIR NO_x Ozone Season allowances allocated for the CAIR NO_x Ozone Season units at the source, as submitted by the permitting authority or determined by the administrator in accordance with 9 VAC 5-140-2410 C, for the control period in the year of the applicable deadline for recordation under this subsection.

E. When recording the allocation of CAIR NO_x Ozone Season allowances for a CAIR NO_x Ozone Season unit in a compliance account, the administrator will assign each CAIR NO_x Ozone Season allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR NO_x Ozone Season allowance is allocated.

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9 VAC 5-140-2540. Compliance with CAIR NO_x emissions limitation.

A. The CAIR NO_x Ozone Season allowances are available to be deducted for compliance with a source's CAIR NO_x Ozone Season emissions limitation for a control period in a given calendar year only if the CAIR NO_x Ozone Season allowances:

1. Were allocated for the control period in the year or a prior year;
2. Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR NO_x Ozone Season allowance transfer correctly submitted for recordation under 9 VAC 5-140-2600 by the allowance transfer deadline for the control period; and
3. Are not necessary for deductions for excess emissions for a prior control period under subsection D of this section.

B. Following the recordation, in accordance with 9 VAC 5-140-2610, of CAIR NO_x Ozone Season allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the administrator will deduct from the compliance account CAIR NO_x Ozone Season allowances available under subsection A of this section in order to determine whether the source meets the CAIR NO_x Ozone Season emissions limitation for the control period, as follows:

1. Until the amount of CAIR NO_x Ozone Season allowances deducted equals the number of tons of total nitrogen oxides emissions, determined in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, from all CAIR NO_x Ozone Season units at the source for the control period; or
2. If there are insufficient CAIR NO_x Ozone Season allowances to complete the deductions in subdivision 1 of this subsection, until no more CAIR NO_x Ozone Season allowances available under subsection A of this section remain in the compliance account.

C.1. The CAIR authorized account representative for a source's compliance account may request that specific CAIR NO_x Ozone Season allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with subsection B or D of this section. Such request shall be submitted to the administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the administrator, the identification of the CAIR NO_x Ozone Season source and the appropriate serial numbers.

2. The administrator will deduct CAIR NO_x Ozone Season allowances under subsection B or D of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR NO_x Ozone Season allowances by serial number under subdivision 1 of this subsection, on a first-in, first-out accounting basis in the following order:

- a. Any CAIR NO_x Ozone Season allowances that were allocated to the units at the source, in the order of recordation; and then
- b. Any CAIR NO_x Ozone Season allowances that were allocated to any entity and transferred and recorded in the compliance account pursuant to Article 27 (9 VAC 5-140-2600 et seq.) of this part, in the order of recordation.

D. Deductions for excess emissions shall be made as follows:

1. After making the deductions for compliance under subsection B of this section for a control period in a calendar year in which the CAIR NO_x Ozone Season source has excess emissions, the administrator will deduct from the source's compliance account an amount of CAIR NO_x Ozone Season allowances, allocated for the control period in the immediately following calendar year, equal to 3 times the

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number of tons of the source's excess emissions.

2. Any allowance deduction required under subdivision 1 of this subsection shall not affect the liability of the owners and operators of the CAIR NO_x Ozone Season source or the CAIR NO_x Ozone Season units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or the Virginia Air Pollution Control Law.

E. The administrator will record in the appropriate compliance account all deductions from such an account under subsection B or D of this section.

F. Administrator actions on submissions will occur as follows:

1. The administrator may review and conduct independent audits concerning any submission under the CAIR NO_x Ozone Season Trading Program and make appropriate adjustments of the information in the submissions.

2. The administrator may deduct CAIR NO_x Ozone Season allowances from or transfer CAIR NO_x Ozone Season allowances to a source's compliance account based on the information in the submissions, as adjusted under subdivision 1 of this subsection.

9 VAC 5-140-2550. Banking.

A. CAIR NO_x Ozone Season allowances may be banked for future use or transfer in a compliance account or a general account in accordance with subsection B of this section.

B. Any CAIR NO_x Ozone Season allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR NO_x Ozone Season allowance is deducted or transferred under 9 VAC 5-140-2540, 9 VAC 5-140-2560, or Article 27 (9 VAC 5-140-2600 et seq.) of this part.

9 VAC 5-140-2560. Account error.

The administrator may, at the administrator's sole discretion and on the administrator's own motion, correct any error in any CAIR NO_x Ozone Season Allowance Tracking System account. Within 10 business days of making such correction, the administrator will notify the CAIR authorized account representative for the account.

9 VAC 5-140-2570. Closing of general accounts.

A. The CAIR authorized account representative of a general account may submit to the administrator a request to close the account, which shall include a correctly submitted allowance transfer under 9 VAC 5-140-2600 for any CAIR NO_x Ozone Season allowances in the account to one or more other CAIR NO_x Ozone Season Allowance Tracking System accounts.

B. If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR NO_x Ozone Season allowances, the administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the administrator receives a correctly submitted transfer of CAIR NO_x Ozone Season allowances into the account under 9 VAC 5-140-2600 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the administrator good cause as to why the account should not be closed.

Article 27.

REGULATION FOR EMISSIONS TRADING (9 VAC 5 CHAPTER 140)

CAIR NO_x Ozone Season Allowance Transfers.

9 VAC 5-140-2600. Submission of CAIR NO_x Ozone Season allowance transfers.

A CAIR authorized account representative seeking recordation of a CAIR NO_x Ozone Season allowance transfer shall submit the transfer to the administrator. To be considered correctly submitted, the CAIR NO_x Ozone Season allowance transfer shall include the following elements, in a format specified by the administrator:

A. The account numbers for both the transferor and transferee accounts;

B. The serial number of each CAIR NO_x Ozone Season allowance that is in the transferor account and is to be transferred; and

C. The name and signature of the CAIR authorized account representative of the transferor account and the date signed.

9 VAC 5-140-2610. EPA recordation.

A. Within 5 business days (except as provided in subsection B of this section) of receiving a CAIR NO_x Ozone Season allowance transfer, the administrator will record a CAIR NO_x Ozone Season allowance transfer by moving each CAIR NO_x Ozone Season allowance from the transferor account to the transferee account as specified by the request, provided that:

1. The transfer is correctly submitted under 9 VAC 5-140-2600; and

2. The transferor account includes each CAIR NO_x Ozone Season allowance identified by serial number in the transfer.

B. A CAIR NO_x Ozone Season allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR NO_x Ozone Season allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the administrator completes the deductions under 9 VAC 5-140-2540 for the control period immediately before such allowance transfer deadline.

C. Where a CAIR NO_x Ozone Season allowance transfer submitted for recordation fails to meet the requirements of subsection A of this section, the administrator will not record such transfer.

9 VAC 5-140-2620. Notification.

A. Within 5 business days of recordation of a CAIR NO_x Ozone Season allowance transfer under 9 VAC 5-140-2610, the administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

B. Within 10 business days of receipt of a CAIR NO_x Ozone Season allowance transfer that fails to meet the requirements of 9 VAC 5-140-2610 A, the administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

1. A decision not to record the transfer, and

2. The reasons for such non-recordation.

C. Nothing in this section shall preclude the submission of a CAIR NO_x Ozone Season allowance transfer for recordation following notification of non-recordation.

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Article 28.
Monitoring and Reporting.

9 VAC 5-140-2700. General requirements.

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR NO_x Ozone Season unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this article and in subpart H of 40 CFR Part 75. For purposes of complying with such requirements, the definitions in 9 VAC 5-140-2020 and in 40 CFR 72.2 shall apply, and the terms "affected unit," "designated representative," and "continuous emission monitoring system (CEMS)" in 40 CFR Part 75 shall be deemed to refer to the terms "CAIR NO_x Ozone Season unit," "CAIR designated representative," and "continuous emission monitoring system (CEMS)" respectively, as defined in 9 VAC 5-140-2020. The owner or operator of a unit that is not a CAIR NO_x Ozone Season unit but that is monitored under 40 CFR 75.72(b)(2)(ii) shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR NO_x Ozone Season unit.

A. The owner or operator of each CAIR NO_x Ozone Season unit shall:

1. Install all monitoring systems required under this article for monitoring NO_x mass emissions and individual unit heat input (including all systems required to monitor NO_x emission rate, NO_x concentration, stack gas moisture content, stack gas flow rate, CO₂ or O₂ concentration, and fuel flow rate, as applicable, in accordance with 40 CFR 75.71 and 40 CFR 75.72);

2. Successfully complete all certification tests required under 9 VAC 5-140-2710 and meet all other requirements of this article and 40 CFR Part 75 applicable to the monitoring systems under subdivision A 1 of this section; and

3. Record, report, and quality-assure the data from the monitoring systems under subdivision A 1 of this section.

B. The owner or operator shall meet the monitoring system certification and other requirements of subdivisions A 1 and 2 of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under subdivision A 1 of this section on and after the following dates.

1. For the owner or operator of a CAIR NO_x Ozone Season unit that commences commercial operation before July 1, 2007, by May 1, 2008.

2. For the owner or operator of a CAIR NO_x Ozone Season unit that commences commercial operation on or after July 1, 2007 and that reports on an annual basis under 9 VAC 5-140-2740 D, by the later of the following dates:

a. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation; or

b. May 1, 2008, if the compliance date under subdivision a of this subdivision is before May 1, 2008.

3. For the owner or operator of a CAIR NO_x Ozone Season unit that commences operation on or after July 1, 2007 and that reports on a control period basis under 9 VAC 5-140-2740 D 2 b, by the later of the following dates:

a. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation; or

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b. If the compliance date under subdivision a of this subdivision is not during a control period, May 1 immediately following the compliance date under subdivision a of this subdivision.

4. For the owner or operator of a CAIR NO_x Ozone Season unit for which construction of a new stack or flue or installation of add-on NO_x emission controls is completed after the applicable deadline under subdivision 1, 2, 6, or 7 of this subsection and that reports on an annual basis under § 9 VAC 5-140-2740 D, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO_x emissions controls.

5. For the owner or operator of a CAIR NO_x Ozone Season unit for which construction of a new stack or flue or installation of add-on NO_x emission controls is completed after the applicable deadline under subdivision 1, 3, 6, or 7 of this section and that reports on a control period basis under 9 VAC 5-140-2740 D 2 b, by the later of the following dates:

a. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on NO_x emissions controls; or

b. If the compliance date under subdivision a of this subdivision is not during a control period, May 1 immediately following the compliance date under subdivision a of this subdivision.

6. Notwithstanding the dates in subdivisions 1, 2, and 3 of this subsection, for the owner or operator of a unit for which a CAIR NO_x Ozone Season opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, by the date specified in 9 VAC 5-140-2840 B.

7. Notwithstanding the dates in subdivisions 1, 2, and 3 of this subsection and solely for purposes of § 9 VAC 5-140-2060 C 2, for the owner or operator of a CAIR NO_x Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seq.) of this part, by the date on which the CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program as provided in 9 VAC 5-140-2840 G.

C. Data shall be reported as follows:

1. Except as provided in subdivision 2 of this subsection, the owner or operator of a CAIR NO_x Ozone Season unit that does not meet the applicable compliance date set forth in subsection B of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for NO_x concentration, NO_x emission rate, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine NO_x mass emissions and heat input in accordance with 40 CFR 75.31(b)(2) or (c)(3), section 2.4 of appendix D to 40 CFR Part 75, or section 2.5 of appendix E to 40 CFR Part 75, as applicable.

2. The owner or operator of a CAIR NO_x unit that does not meet the applicable compliance date set forth in subdivision B 4 of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report substitute data using the applicable missing data procedures in 40 CFR 75.74(c)(7) or subpart D or subpart H of, or appendix D or appendix E to, 40 CFR Part 75, in lieu of the maximum potential (or, as appropriate, minimum potential) values, for a parameter if the owner or operator demonstrates that there is continuity between the data streams for that parameter before and after the construction or installation under subdivision B 4 of this section.

D. The following prohibitions shall apply.

1. No owner or operator of a CAIR NO_x Ozone Season unit shall use any alternative

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monitoring system, alternative reference method, or any other alternative to any requirement of this article without having obtained prior written approval in accordance with 9 VAC 5-140-2750.

2. No owner or operator of a CAIR NO_x Ozone Season unit shall operate the unit so as to discharge, or allow to be discharged, NO_x emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this part and 40 CFR Part 75.

3. No owner or operator of a CAIR NO_x Ozone Season unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO_x mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this article and 40 CFR Part 75

4. No owner or operator of a CAIR NO_x Ozone Season unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this article, except under any one of the following circumstances:

a. During the period that the unit is covered by an exemption under 9 VAC 5-140-2050 that is in effect;

b. The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this part and 40 CFR Part 75, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

c. The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with 9 VAC 5-140-2710 D 3 a.

9 VAC 5-140-2710. Initial certification and recertification procedures.

A. The owner or operator of a CAIR NO_x Ozone Season unit shall be exempt from the initial certification requirements of this section for a monitoring system under 9 VAC 5-140-2700 A 1 if the following conditions are met:

1. The monitoring system has been previously certified in accordance with 40 CFR Part 75: and

2. The applicable quality-assurance and quality-control requirements of 40 CFR 75.21 and appendix B, appendix D, and appendix E to 40 CFR Part 75 are fully met for the certified monitoring system described in subdivision 1 of this subsection.

B. The recertification provisions of this section shall apply to a monitoring system under 9 VAC 5-140-2700 A 1 exempt from initial certification requirements under subsection A of this section.

C. If the administrator has previously approved a petition under 40 CFR 75.17(a) or (b) for apportioning the NO_x emission rate measured in a common stack or a petition under 40 CFR 75.66 for an alternative to a requirement in 40 CFR 75.12, 75.17, or subpart H of 40 CFR Part 75, the CAIR designated representative shall resubmit the petition to the administrator under 9 VAC 5-140-2750 A to determine whether the approval applies under the CAIR NO_x Ozone Season Trading Program.

D. Except as provided in subsection A of this section, the owner or operator of a CAIR NO_x Ozone Season unit shall comply with the following initial certification and recertification procedures for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendices D and E to 40 CFR Part 75) under 9 VAC 5-140-2700 A 1. The owner or operator of a unit

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that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19 or that qualifies to use an alternative monitoring system under subpart E of 40 CFR Part 75 shall comply with the procedures in subsection E or F of this section, respectively.

1. The owner or operator shall ensure that each continuous monitoring system under 9 VAC 5-140-2700 A 1 (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under 40 CFR 75.20 by the applicable deadline in 9 VAC 5-140-2700 B. In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this article in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20 is required.

2. Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under 9 VAC 5-140-2700 A 1 that may significantly affect the ability of the system to accurately measure or record NO_x mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21 or appendix B to 40 CFR Part 75 the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b). Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b). Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter systems, and any excepted NO_x monitoring system under appendix E to 40 CFR Part 75, under 9 VAC 5-140-2700 A 1 are subject to the recertification requirements in 40 CFR 75.20(g)(6).

3. Subdivisions a through d of this subdivision apply to both initial certification and recertification of a continuous monitoring system under 9 VAC 5-140-2700 A 1. For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word "certified" with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5) and (g)(7) in lieu of the procedures in subdivision e of this subdivision.

a. The CAIR designated representative shall submit to the permitting authority, the EPA Region III Office, and the administrator written notice of the dates of certification testing, in accordance with 9 VAC 5-140-2730.

b. The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63.

c. The provisional certification date for a monitoring system shall be determined in accordance with 40 CFR 75.20(a)(3). A provisionally certified monitoring system may be used under the CAIR NO_x Ozone Season Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under subdivision b of this subdivision. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of 40 CFR Part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

d. The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under subdivision b of this subdivision. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of 40 CFR Part 75 and is included in the certification application will be deemed certified for

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use under the CAIR NO_x Ozone Season Trading Program.

(1) If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR Part 75, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(2) If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative shall submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under subdivision (3) of this subdivision. The 120-day review period shall not begin before receipt of a complete certification application.

(3) If the certification application shows that any monitoring system does not meet the performance requirements of 40 CFR Part 75 or if the certification application is incomplete and the requirement for disapproval under subdivision (2) of this subdivision is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under 40 CFR 75.20(a)(3)). The owner or operator shall follow the procedures for loss of certification in subdivision e of this subdivision for each monitoring system that is disapproved for initial certification.

(4) The permitting authority or, for a CAIR NO_x Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, the administrator may issue a notice of disapproval of the certification status of a monitor in accordance with 9 VAC 5-140-2720 B.

e. If the permitting authority or the administrator issues a notice of disapproval of a certification application under subdivision d (3) of this subdivision or a notice of disapproval of certification status under subdivision d (4) of this subdivision, then:

(1) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under 40 CFR 75.20(a)(4)(iii), 40 CFR 75.20(g)(7), or 40 CFR 75.21(e) and continuing until the applicable date and hour specified under 40 CFR 75.20(a)(5)(i) or (g)(7):

(a) For a disapproved NO_x emission rate (i.e., NO_x-diluent) system, the maximum potential NO_x emission rate, as defined in 40 CFR 72.2.

(b) For a disapproved NO_x pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of NO_x and the maximum potential flow rate, as defined in sections 2.1.2.1 and 2.1.4.1 of appendix A to 40 CFR Part 75.

(c) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO₂ concentration or the minimum potential O₂ concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to 40 CFR Part 75.

(d) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to 40 CFR Part 75

(e) For a disapproved excepted NO_x monitoring system under appendix E to 40 CFR Part 75, the fuel-specific maximum potential NO_x emission rate, as defined in 40 CFR 72.2.

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(2) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with subdivisions (1) a and b of this subdivision.

(3) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

E. The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19 shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2) and 75.20(h). If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g).

F. The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the administrator and, if applicable, the permitting authority under subpart E of 40 CFR Part 75 shall comply with the applicable notification and application procedures of 40 CFR 75.20(f).

9 VAC 5-140-2720. Out of control periods.

A. Whenever any monitoring system fails to meet the quality-assurance and quality-control requirements or data validation requirements of 40 CFR Part 75, data shall be substituted using the applicable missing data procedures in subpart D or subpart H of, or appendix D or appendix E to, 40 CFR Part 75.

B. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under 9 VAC 5-140-2710 or the applicable provisions of 40 CFR Part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR NO_x Ozone Season opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, the administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the administrator. By issuing the notice of disapproval, the permitting authority or the administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in 9 VAC 5-140-2710 for each disapproved monitoring system.

9 VAC 5-140-2730. Notifications.

The CAIR designated representative for a CAIR NO_x Ozone Season unit shall submit written notice to the permitting authority and the administrator in accordance with 40 CFR 75.61, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority.

9 VAC 5-140-2740. Recordkeeping and reporting.

A. The CAIR designated representative shall comply with all recordkeeping and reporting

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requirements in this section, the applicable recordkeeping and reporting requirements under 40 CFR 75.73, and the requirements of 9 VAC 5-140-2100 E 1.

B. The owner or operator of a CAIR NO_x Ozone Season unit shall comply with requirements of 40 CFR 75.73(c) and (e) and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 29 (9 VAC 5-140-2800 et seq.) of this part, 9 VAC 5-140-2830 and 9 VAC 5-140-2840 A.

C. The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under 9 VAC 5-140-2710, including the information required under 40 CFR 75.63.

D. The CAIR designated representative shall submit quarterly reports, as follows:

1. If the CAIR NO_x Ozone Season unit is subject to an Acid Rain emissions limitation or a CAIR NO_x emissions limitation or if the owner or operator of such unit chooses to report on an annual basis under this article, the CAIR designated representative shall meet the requirements of subpart H of 40 CFR Part 75 (concerning monitoring of NO_x mass emissions) for such unit for the entire year and shall report the NO_x mass emissions data and heat input data for such unit, in an electronic quarterly report in a format prescribed by the administrator, for each calendar quarter beginning with:

a. For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering May 1, 2008 through June 30, 2008; or

b. For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under 9 VAC 5-140-2700 B, unless that quarter is the third or fourth quarter of 2007, in which case reporting shall commence in the quarter covering May 1, 2008 through June 30, 2008.

2. If the CAIR NO_x Ozone Season unit is not subject to an Acid Rain emissions limitation or a CAIR NO_x emissions limitation, then the CAIR designated representative shall either:

a. Meet the requirements of subpart H of 40 CFR Part 75 (concerning monitoring of NO_x mass emissions) for such unit for the entire year and report the NO_x mass emissions data and heat input data for such unit in accordance with subdivision 1 of this subsection; or

b. Meet the requirements of subpart H of 40 CFR Part 75 for the control period (including the requirements in 40 CFR 75.74(c)) and report NO_x mass emissions data and heat input data (including the data described in 40 CFR 75.74(c)(6)) for such unit only for the control period of each year and report, in an electronic quarterly report in a format prescribed by the administrator, for each calendar quarter beginning with:

(1) For a unit that commences commercial operation before July 1, 2007, the calendar quarter covering May 1, 2008 through June 30, 2008;

(2) For a unit that commences commercial operation on or after July 1, 2007, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline for initial certification under 9 VAC 5-140-2700 B, unless that date is not during a control period, in which case reporting shall commence in the quarter that includes May 1 through June 30 of the first control period after such date.

2. The CAIR designated representative shall submit each quarterly report to the administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in 40 CFR 75.73(f).

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3. For CAIR NO_x Ozone Season units that are also subject to an Acid Rain emissions limitation or the CAIR NO_x Annual Trading Program or CAIR SO₂ Trading Program, quarterly reports shall include the applicable data and information required by subparts F through H of 40 CFR Part 75 as applicable, in addition to the NO_x mass emission data, heat input data, and other information required by this article.

E. The CAIR designated representative shall submit to the administrator a compliance certification (in a format prescribed by the administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

1. The monitoring data submitted were recorded in accordance with the applicable requirements of this article and 40 CFR Part 75, including the quality assurance procedures and specifications;

2. For a unit with add-on NO_x emission controls and for all hours where NO_x data are substituted in accordance with 40 CFR 75.34(a)(1), the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to 40 CFR Part 75 and the substitute data values do not systematically underestimate NO_x emissions; and

3. For a unit that is reporting on a control period basis under subdivision D 2 b of this section, the NO_x emission rate and NO_x concentration values substituted for missing data under subpart D of 40 CFR Part 75 are calculated using only values from a control period and do not systematically underestimate NO_x emissions.

9 VAC 5-140-2750. Petitions.

A. Except as provided in subdivision B 2 of this section, the CAIR designated representative of a CAIR NO_x Ozone Season unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by the administrator, in consultation with the permitting authority.

B.1. The CAIR designated representative of a CAIR NO_x Ozone Season unit that is not subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

2. The CAIR designated representative of a CAIR NO_x Ozone Season unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to a requirement concerning any additional continuous emission monitoring system required under 40 CFR 75.72. Application of an alternative to any such requirement is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

9 VAC 5-140-2760. Additional requirements to provide heat input data.

The owner or operator of a CAIR NO_x Ozone Season unit that monitors and reports NO_x mass emissions using a NO_x concentration system and a flow system shall also monitor and report heat input rate at the unit level using the procedures set forth in 40 CFR Part 75.

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CAIR NO_x Ozone Season Opt-in Units.

9 VAC 5-140-2800. Applicability.

A CAIR NO_x Ozone Season opt-in unit shall be a unit that:

A. Is located in the state;

B. Is not a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 and is not covered by a retired unit exemption under 9 VAC 5-140-2050 that is in effect;

C. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;

D. Has or is required or qualified to have a title V operating permit or state operating permit; and

E. Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Article 28 (9 VAC 5-140-2700 et seq.) of this part.

9 VAC 5-140-2810. General.

A. Except as otherwise provided in 9 VAC 5-140-2010 through 9 VAC 5-140-2040, 9 VAC 5-140-2060 through 9 VAC 5-140-2080, and Article 22 (9 VAC 5-140-2100 et seq.), Article 23 (9 VAC 5-140-2200 et seq.), Article 26 (9 VAC 5-140-2500 et seq.), Article 27 (9 VAC 5-140-2600 et seq.), and Article 28 (9 VAC 5-140-2700 et seq.) of this part, a CAIR NO_x Ozone Season opt-in unit shall be treated as a CAIR NO_x Ozone Season unit for purposes of applying such sections and articles of this part.

B. Solely for purposes of applying, as provided in this article, the requirements of Article 28 (9 VAC 5-140-2700 et seq.) of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, such unit shall be treated as a CAIR NO_x Ozone Season unit before issuance of a CAIR opt-in permit for such unit.

9 VAC 5-140-2820. CAIR designated representative.

Any CAIR NO_x Ozone Season opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, located at the same source as one or more CAIR NO_x Ozone Season units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR NO_x Ozone Season units.

9 VAC 5-140-2830. Applying for CAIR opt-in permit.

A. The CAIR designated representative of a unit meeting the requirements for a CAIR NO_x Ozone Season opt-in unit in 9 VAC 5-140-2800 may apply for an initial CAIR opt-in permit at any time, except as provided under 9 VAC 5-140-2860 F and G, and, in order to apply, shall submit the following:

1. A complete CAIR permit application under 9 VAC 5-140-2220;

2. A certification, in a format acceptable to the permitting authority, that the unit:

a. Is not a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 and is not covered by a retired unit exemption under 9 VAC 5-140-2050 that is in effect;

b. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;

c. Vents all of its emissions to a stack; and

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d. Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under 9 VAC 5-140-2220;

3. A monitoring plan in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part;

4. A complete certificate of representation under 9 VAC 5-140-2130 consistent with 9 VAC 5-140-2820, if no CAIR designated representative has been previously designated for the source that includes the unit; and

5. A statement, in a format acceptable to the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2880 C (subject to the conditions in 9 VAC 5-140-2840 H and 9 VAC 5-140-2860 G).

B. Opt-in permit renewal shall be required as follows:

1. The CAIR designated representative of a CAIR NO_x Ozone Season opt-in unit shall submit a complete CAIR permit application under 9 VAC 5-140-2220 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for state operating permits if applicable, addressing permit renewal.

2. Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR opt-in unit from the CAIR NO_x Annual Trading Program in accordance with 9 VAC 5-140-1860 or the unit becomes a CAIR NO_x unit under 9 VAC 5-140-2040, the CAIR NO_x opt-in unit shall remain subject to the requirements for a CAIR NO_x opt-in unit, even if the CAIR designated representative for the CAIR NO_x opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under subdivision 1 of this subsection.

9 VAC 5-140-2840. Opt-in process.

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under 9 VAC 5-140-2830 is submitted in accordance with the following:

A. The permitting authority and the administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under 9 VAC 5-140-2830. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO_x emissions rate and heat input of the unit and all other applicable parameters are monitored and reported in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

B. Monitoring and reporting shall be as follows:

1.a. If the permitting authority and the administrator determine that the monitoring plan is sufficient under subsection A of this section, the owner or operator shall monitor and report the NO_x emissions rate and the heat input of the unit emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, starting on the date of certification of the appropriate monitoring systems under Article 28 (9 VAC 5-140-2700 et seq.) of this part and continuing until a CAIR opt-in permit is denied under subsection F of this section or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR NO_x Ozone Season Trading Program in accordance with 9 VAC 5-140-2860.

b. The monitoring and reporting under subdivision a of this subdivision shall include the entire control period immediately before the date on which the unit enters the CAIR NO_x Ozone Season Trading Program under subsection G of this section, during which period monitoring system availability shall not be less than 90.0% under Article 28 (9 VAC 5-140-2700 et seq.) of this part and the unit shall be in full compliance with any applicable state or federal emissions or emissions-related requirements.

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2. To the extent the NO_x emissions rate and the heat input of the unit are monitored and reported in accordance with subpart Article 28 (9 VAC 5-140-2700 et seq.) of this part for one or more control periods, in addition to the control period under subdivision 1 b of this subsection, during which control periods monitoring system availability is not less than 90.0% under Article 28 (9 VAC 5-140-2700 et seq.) of this part and the unit is in full compliance with any applicable state or federal emissions or emissions-related requirements and which control periods begin not more than three years before the unit enters the CAIR NO_x Ozone Season Trading Program under subsection G of this section, such information shall be used as provided in subsections C and D of this section.

C. The unit's baseline heat rate shall equal:

1. If the unit's NO_x emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's total heat input (in mmBtu) for the control period; or

2. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under subdivisions B 1 b and B 2 of this section.

D. The unit's baseline NO_x emission rate shall equal:

1. If the unit's NO_x emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's NO_x emissions rate (in lb/mmBtu) for the control period;

2. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit does not have add-on NO_x emission controls during any such control periods, the average of the amounts of the unit's NO_x emissions rate (in lb/mmBtu) for the control periods under subdivisions B 1 b and B 2 of this section; or

3. If the unit's NO_x emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit has add-on NO_x emission controls during any such control periods, the average of the amounts of the unit's NO_x emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on NO_x emission controls.

E. After calculating the baseline heat input and the baseline NO_x emissions rate for the unit under subsections C and D of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR NO_x Ozone Season opt-in unit in 9 VAC 5-140-2800 and meets the elements certified in 9 VAC 5-140-2830 A 2, the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the administrator, who will then establish a compliance account for the source that includes the CAIR NO_x Ozone Season opt-in unit unless the source already has a compliance account.

F. Notwithstanding subsections A through E of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR NO_x Ozone Season opt-in unit in 9 VAC 5-140-2800 or meets the elements certified in 9 VAC 5-140-2830 A 2, the permitting authority will issue a denial of a CAIR opt-in permit for the unit.

G. A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR NO_x Ozone Season opt-in unit, and a CAIR NO_x Ozone Season unit, as of the later of May 1, 2009 or May 1 of the first control period during which such CAIR opt-in permit is issued.

H. Repowered CAIR NO_x Ozone Season opt-in units shall meet the following requirements.

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1. If the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2880 C and such unit is repowered after its date of entry into the CAIR NO_x Ozone Season Trading Program under subsection G of this section, the repowered unit shall be treated as a CAIR NO_x Ozone Season opt-in unit replacing the original CAIR NO_x Ozone Season opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

2. Notwithstanding subsections C and D of this section, as of the date of start-up under subdivision H 1 of this section, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline NO_x emission rate as the original CAIR NO_x Ozone Season opt-in unit, and the original CAIR NO_x Ozone Season opt-in unit shall no longer be treated as a CAIR opt-in unit or a CAIR NO_x Ozone Season unit.

9 VAC 5-140-2850. CAIR opt-in permit contents.

A. Each CAIR opt-in permit will contain:

1. All elements required for a complete CAIR permit application under 9 VAC 5-140-2220;

2. The certification in 9 VAC 5-140-2830 A 2;

3. The unit's baseline heat input under 9 VAC 5-140-2840 C;

4. The unit's baseline NO_x emission rate under 9 VAC 5-140-2840 D;

5. A statement whether the unit is to be allocated CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2880 C (subject to the conditions in 9 VAC 5-140-2840 H and 9 VAC 5-140-2860 G);

6. A statement that the unit may withdraw from the CAIR NO_x Ozone Season Trading Program only in accordance with 9 VAC 5-140-2860; and

7. A statement that the unit is subject to, and the owners and operators of the unit shall comply with, the requirements of 9 VAC 5-140-2870.

B. Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-2020 and, upon recordation by the administrator under Article 26 (9 VAC 5-140-2500 et seq.), Article 27 (9 VAC 5-140-2600 et seq.), or Article 29 (9 VAC 5-140-2800 et seq.) of this part or this article, every allocation, transfer, or deduction of CAIR NO_x Ozone Season allowances to or from the compliance account of the source that includes a CAIR NO_x Ozone Season opt-in unit covered by the CAIR opt-in permit.

C. The CAIR opt-in permit shall be included, in a format acceptable to the permitting authority, in the CAIR permit for the source where the CAIR opt-in unit is located.

9 VAC 5-140-2860. Withdrawal from CAIR NO_x Ozone Season Trading Program.

Except as provided under subsection G of this section, a CAIR NO_x Ozone Season opt-in unit may withdraw from the CAIR NO_x Ozone Season Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO_x Ozone Season opt-in unit in accordance with subsection D of this section.

A. In order to withdraw a CAIR opt-in unit from the CAIR NO_x Ozone Season Trading Program, the

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CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of September 30 of a specified calendar year, which date must be at least four years after September 30 of the year of entry into the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2840 G. The request shall be submitted no later than 90 days before the requested effective date of withdrawal.

B. Before a CAIR NO_x Ozone Season opt-in unit covered by a request under subsection A of this section may withdraw from the CAIR NO_x Ozone Season Trading Program and the CAIR opt-in permit may be terminated under subsection E of this section, the following conditions must be met:

1. For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR NO_x Ozone Season opt-in unit must meet the requirement to hold CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2060 C and must not have any excess emissions.

2. After the requirement for withdrawal under subdivision 1 of this subsection is met, the administrator will deduct from the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit CAIR NO_x Ozone Season allowances equal in amount to and allocated for the same or a prior control period as any CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under 9 VAC 5-140-2880 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR NO_x Ozone Season units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR NO_x Ozone Season opt-in unit may submit a CAIR NO_x Ozone Season allowance transfer for any remaining CAIR NO_x Ozone Season allowances to another CAIR NO_x Ozone Season Allowance Tracking System in accordance with Article 27 (9 VAC 5-140-2600 et seq.) of this part.

C. Notification shall be performed as follows:

1. After the requirements for withdrawal under subsections A and B of this section are met (including deduction of the full amount of CAIR NO_x Ozone Season allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit of the acceptance of the withdrawal of the CAIR NO_x Ozone Season opt-in unit as of midnight on September 30 of the calendar year for which the withdrawal was requested.

2. If the requirements for withdrawal under subsections A and B of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR NO_x Ozone Season opt-in unit that the CAIR NO_x Ozone Season opt-in unit's request to withdraw is denied. Such CAIR NO_x opt-in unit shall continue to be a CAIR NO_x Ozone Season opt-in unit.

D. After the permitting authority issues a notification under subdivision C 1 of this section that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR NO_x Ozone Season opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision C 1 of this section. The unit shall continue to be a CAIR NO_x Ozone Season opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR NO_x Ozone Season Trading Program concerning any control periods for which the unit is a CAIR NO_x Ozone Season opt-in unit, even if such requirements arise or shall be complied with after the withdrawal takes effect.

E. If the permitting authority denies the CAIR NO_x Ozone Season opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subsections A and B of this section.

F. Once a CAIR NO_x Ozone Season opt-in unit withdraws from the CAIR NO_x Ozone Season Trading Program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under 9 VAC 5-140-2830 for such CAIR NO_x Ozone Season opt-in unit before the date that is four years after the date on which the withdrawal

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became effective. Such new application for a CAIR opt-in permit will be treated as an initial application for a CAIR opt-in permit under 9 VAC 5-140-2840.

G. Notwithstanding subsections A through F of this section, a CAIR NO_x Ozone Season opt-in unit shall not be eligible to withdraw from the CAIR NO_x Ozone Season Trading Program if the CAIR designated representative of the CAIR NO_x opt-in unit requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to the CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2880 C.

9 VAC 5-140-2870. Change in regulatory status.

A. If a CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, then the CAIR designated representative shall notify in writing the permitting authority and the administrator of such change in the CAIR NO_x Ozone Season opt-in unit's regulatory status, within 30 days of such change.

B. The permitting authority and the administrator shall take the following actions.

1. If a CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, the permitting authority will revise the CAIR NO_x Ozone Season opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under 9 VAC 5-140-2230 as of the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040.

2.a. The administrator will deduct from the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit that becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, CAIR NO_x Ozone Season allowances equal in amount to and allocated for the same or a prior control period as:

(1) Any CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under 9 VAC 5-140-2880 for any control period after the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040; and

(2) If the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 is not September 30, the CAIR NO_x Ozone Season allowances allocated to the CAIR NO_x Ozone Season opt-in unit under 9 VAC 5-140-2880 for the control period that includes the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

b. The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR NO_x Ozone Season unit that becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 contains the CAIR NO_x Ozone Season allowances necessary for completion of the deduction under subdivision a of this subdivision.

3.a. For every control period after the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, the CAIR NO_x Ozone Season opt-in unit will be treated, solely for purposes of CAIR NO_x Ozone Season allowance allocations under 9 VAC 5-140-2420, as a unit that commences operation on the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 and will be allocated CAIR NO_x Ozone Season allowances under 9 VAC 5-140-2420.

b. Notwithstanding subdivision a of this subdivision, if the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040 is not

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May 1, the following amount of CAIR NO_x Ozone Season allowances will be allocated to the CAIR NO_x Ozone Season opt-in unit (as a CAIR NO_x Ozone Season unit) under 9 VAC 5-140-2420 for the control period that includes the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040:

(1) The amount of CAIR NO_x Ozone Season allowances otherwise allocated to the CAIR NO_x Ozone Season opt-in unit (as a CAIR NO_x Ozone Season unit) under 9 VAC 5-140-2420 for the control period multiplied by:

(2) The ratio of the number of days, in the control period, starting with the date on which the CAIR NO_x Ozone Season opt-in unit becomes a CAIR NO_x Ozone Season unit under 9 VAC 5-140-2040, divided by the total number of days in the control period; and

(3) Rounded to the nearest whole allowance as appropriate.

9 VAC 5-140-2880. NO_x Ozone Season allowance allocations to CAIR NO_x Ozone Season opt-in units.

A. Timing requirements shall be met as follows:

1. When the CAIR opt-in permit is issued under 9 VAC 5-140-2840 E, the permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit, and submit to the administrator the allocation for the control period in which a CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2840 G, in accordance with subsection B or C of this section.

2. By no later than July 31 of the control period in which a CAIR opt-in unit enters the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2840 G and July 31 of each year thereafter, the permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit, and submit to the administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR NO_x opt-in unit, in accordance with subsection B or C of this section.

B. For each control period for which a CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances, the permitting authority will allocate in accordance with the following procedures:

1. The heat input (in mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocation will be the lesser of:

a. The CAIR NO_x Ozone Season opt-in unit's baseline heat input determined under 9 VAC 5-140-2840 C; or

b. The CAIR NO_x Ozone Season opt-in unit's heat input, as determined in accordance with Article 28 (9 VAC 5-140-2700 et seq.) of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2840 G.

2. The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x Ozone Season allowance allocations will be the lesser of:

a. The CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-2840 D and multiplied by 70.0%; or

b. The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period for which CAIR NO_x Ozone

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Season allowances are to be allocated.

3. The permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under subdivision 1 of this subsection, multiplied by the NO_x emission rate under subdivision 2 of this subsection, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

C. Notwithstanding subsection B of this section and if the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR NO_x Ozone Season opt-in unit of CAIR NO_x Ozone Season allowances under this subsection (subject to the conditions in 9 VAC 5-140-2840 H and 9 VAC 5-140-2860 G), the permitting authority will allocate to the CAIR NO_x Ozone Season opt-in unit as follows:

1. For each control period in 2009 through 2014 for which the CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances,

a. The heat input (in mmBtu) used for calculating CAIR NO_x Ozone Season allowance allocations will be determined as described in subdivision B 1 of this section.

b. The NO_x emission rate (in lb/mmBtu) used for calculating CAIR NO_x Ozone Season allowance allocations will be the lesser of:

(1) The CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-2840 D; or

(2) The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period in which the CAIR NO_x Ozone Season opt-in unit enters the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2840 G.

c. The permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under subdivision a of this subsection, multiplied by the NO_x emission rate under subdivision b of this subsection, divided by 2,000 lb/ton, and rounded to the nearest whole allowance as appropriate.

2. For each control period in 2015 and thereafter for which the CAIR NO_x Ozone Season opt-in unit is to be allocated CAIR NO_x Ozone Season allowances,

a. The heat input (in mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocations will be determined as described in subdivision B 1 of this section.

b. The NO_x emission rate (in lb/mmBtu) used for calculating the CAIR NO_x Ozone Season allowance allocation will be the lesser of:

(1) 0.15 lb/mmBtu;

(2) The CAIR NO_x Ozone Season opt-in unit's baseline NO_x emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-2840 D; or

(3) The most stringent state or federal NO_x emissions limitation applicable to the CAIR NO_x Ozone Season opt-in unit at any time during the control period for which CAIR NO_x Ozone Season allowances are to be allocated.

c. The permitting authority will allocate CAIR NO_x Ozone Season allowances to the CAIR NO_x Ozone Season opt-in unit in an amount equaling the heat input under subdivision a of this subsection, multiplied by the NO_x emission rate under subdivision b of this subsection, divided by 2,000

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lb/ton, and rounded to the nearest whole allowance as appropriate.

D. Recordation shall be performed as follows:

1. The administrator will record, in the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the permitting authority to the CAIR NO_x Ozone Season opt-in unit under subdivision A 1 of this section.

2. By September 1 of the control period in which a CAIR opt-in unit enters the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140 2840 G, and September 1 of each year thereafter, the administrator will record, in the compliance account of the source that includes the CAIR NO_x Ozone Season opt-in unit, the CAIR NO_x Ozone Season allowances allocated by the permitting authority to the CAIR NO_x Ozone Season opt-in unit under subdivision A 2 of this section.

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PART IV.
SO₂ Annual Trading Program.

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Article 32 – CAIR Designated Representative for CAIR SO₂ Sources.

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Article 33 – Permits.

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- 9 VAC 5-140-3230. CAIR permit contents and term.
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Article 34 – [Reserved].

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Article 36 – CAIR SO₂ Allowance Tracking System.

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9 VAC 5-140-3710. Initial certification and recertification procedures.
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9 VAC 5-140-3740. Recordkeeping and reporting.
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Article 39 – CAIR SO₂ Opt-in Units.

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9 VAC 5-140-3810. General.
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9 VAC 5-140-3830. Applying for CAIR opt-in permit.
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9 VAC 5-140-3860. Withdrawal from CAIR SO₂ trading program.
9 VAC 5-140-3870. Change in regulatory status.
9 VAC 5-140-3880. SO₂ allowance allocations to CAIR SO₂ opt-in units.

Article 31.
CAIR SO₂ Trading Program General Provisions.

9 VAC 5-140-3010. Purpose.

This part establishes general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) SO₂ Trading Program, under § 110 of the Clean Air Act and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide. The board authorizes the administrator to assist the board in implementing the CAIR SO₂ Trading Program by carrying out the functions set forth for the administrator in this part.

9 VAC 5-140-3020. Definitions.

A. As used in this part, all words or terms not defined here shall have the meaning given them in 9 VAC 5 Chapter 10 (9 VAC 5-10-10 et seq.), unless otherwise required by context.

B. For the purpose of this part and any related use, the words or terms shall have the meaning given them in this subsection.

"Account number" means the identification number given by the administrator to each CAIR SO₂ Allowance Tracking System account.

"Acid Rain emissions limitation" means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

"Acid Rain Program" means a multi-state sulfur dioxide and nitrogen oxides air pollution control and emission reduction program established by the administrator under title IV of the CAA and 40 CFR Parts 72 through 78.

"Administrator" means the administrator of the United States Environmental Protection Agency or the administrator's duly authorized representative.

"Allocate" or "allocation" means, with regard to CAIR SO₂ allowances issued under the Acid Rain Program, the determination by the administrator of the amount of such CAIR SO₂ allowances to be initially credited to a CAIR SO₂ unit and, with regard to CAIR SO₂ allowances issued under 9 VAC 5-140-

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3880, the determination by the permitting authority of the amount of such CAIR SO₂ allowances to be initially credited to a CAIR SO₂ unit.

"Allowance transfer deadline" means, for a control period, midnight of March 1, if it is a business day, or, if March 1 is not a business day, midnight of the first business day thereafter immediately following the control period and is the deadline by which a CAIR SO₂ allowance transfer must be submitted for recordation in a CAIR SO₂ source's compliance account in order to be used to meet the source's CAIR SO₂ emissions limitation for such control period in accordance with 9 VAC 5-140-3540.

"Alternate CAIR designated representative" means, for a CAIR SO₂ source and each CAIR SO₂ unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to act on behalf of the CAIR designated representative in matters pertaining to the CAIR SO₂ Trading Program. If the CAIR SO₂ source is also a CAIR NO_x source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR SO₂ source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the alternate CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR SO₂ source is also subject to the Acid Rain Program, then this natural person shall be the same person as the alternate designated representative under the Acid Rain Program.

"Automated data acquisition and handling system" or "DAHS" means that component of the continuous emission monitoring system, or other emissions monitoring system approved for use under Article 38 (9 VAC 5-140-3700 et seq.) of this part, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by Article 38 (9 VAC 5-140-3700 et seq.) of this part.

"Boiler" means an enclosed fossil- or other-fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

"Bottoming-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful thermal energy and at least some of the reject heat from the useful thermal energy application or process is then used for electricity production.

"CAIR authorized account representative" means, with regard to a general account, a responsible natural person who is authorized, in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to transfer and otherwise dispose of CAIR SO₂ allowances held in the general account and, with regard to a compliance account, the CAIR designated representative of the source.

"CAIR designated representative" means, for a CAIR SO₂ source and each CAIR SO₂ unit at the source, the natural person who is authorized by the owners and operators of the source and all such units at the source, in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR SO₂ Trading Program. If the CAIR SO₂ source is also a CAIR NO_x source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Annual Trading Program. If the CAIR SO₂ source is also a CAIR NO_x Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO_x Ozone Season Trading Program. If the CAIR SO₂ source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program.

"CAIR NO_x Annual Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part II of this chapter and 40 CFR 51.123, as a means of mitigating interstate transport of fine particulates

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and nitrogen oxides.

"CAIR NO_x Ozone Season source" means a source that includes one or more CAIR NO_x Ozone Season units.

"CAIR NO_x Ozone Season Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part III of this chapter and 40 CFR 51.123, as a means of mitigating interstate transport of ozone and nitrogen oxides.

"CAIR NO_x Ozone Season unit" means a unit that is subject to the CAIR NO_x Ozone Season Trading Program under 9 VAC 5-140-2040 and a CAIR NO_x Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seq.) of Part III of this chapter.

"CAIR NO_x source" means a source that includes one or more CAIR NO_x units.

"CAIR NO_x unit" means a unit that is subject to the CAIR NO_x Annual Trading Program under 9 VAC 5-140-1040 and a CAIR NO_x opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of Part II of this chapter.

"CAIR permit" means the title V operating permit or state operating permit, issued by the permitting authority under Article 33 (9 VAC 5-140-3200 et seq.) of this part, including any permit revisions, specifying the CAIR SO₂ Trading Program requirements applicable to a CAIR SO₂ source, to each CAIR SO₂ unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit.

"CAIR SO₂ allowance" means a limited authorization issued by the administrator under the Acid Rain Program, or by a permitting authority under 9 VAC 5-140-3880, to emit sulfur dioxide during the control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR SO₂ Trading Program as specified in subdivisions 1 through 3 of this definition. No provision of the CAIR SO₂ Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-3040 B or 9 VAC 5-140-3050 and no provision of law shall be construed to limit the authority of the United States or the board to terminate or limit such authorization, which does not constitute a property right.

1. For one CAIR SO₂ allowance allocated for a control period in a year before 2010, one ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B;

2. For one CAIR SO₂ allowance allocated for a control period in 2010 through 2014, 0.50 ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B; and

3. For one CAIR SO₂ allowance allocated for a control period in 2015 or later, 0.35 ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B.

4. An authorization to emit sulfur dioxide that is not issued under the Acid Rain Program or under the provisions of a state implementation plan that is approved under 40 CFR 51.124(o)(1) or (2) shall not be a CAIR SO₂ allowance.

"CAIR SO₂ allowance deduction" or "deduct CAIR SO₂ allowances" means the permanent withdrawal of CAIR SO₂ allowances by the administrator from a compliance account in order to account for a specified number of tons of total sulfur dioxide emissions from all CAIR SO₂ units at a CAIR SO₂ source for a control period, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, or to account for excess emissions.

"CAIR SO₂ Allowance Tracking System" means the system by which the administrator

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records allocations, deductions, and transfers of CAIR SO₂ allowances under the CAIR SO₂ Trading Program. This is the same system as the Allowance Tracking System under 40 CFR 72.2 by which the administrator records allocations, deduction, and transfers of Acid Rain SO₂ allowances under the Acid Rain Program.

"CAIR SO₂ Allowance Tracking System account" means an account in the CAIR SO₂ Allowance Tracking System established by the administrator for purposes of recording the allocation, holding, transferring, or deducting of CAIR SO₂ allowances. Such allowances will be allocated, held, deducted, or transferred only as whole allowances.

"CAIR SO₂ allowances held" or "hold CAIR SO₂ allowances" means the CAIR SO₂ allowances recorded by the administrator, or submitted to the administrator for recordation, in accordance with Articles 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), and 39 (9 VAC 5-140-3800 et seq.) of this part or 40 CFR Part 73, in a CAIR SO₂ Allowance Tracking System account.

"CAIR SO₂ emissions limitation" means, for a CAIR SO₂ source, the tonnage equivalent of the CAIR SO₂ allowances available for deduction for the source under 9 VAC 5-140-3540 A and B for a control period.

"CAIR SO₂ source" means a source that includes one or more CAIR SO₂ units.

"CAIR SO₂ Trading Program" means a multi-state sulfur dioxide air pollution control and emission reduction program approved and administered by the administrator in accordance with this part and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide.

"CAIR SO₂ unit" means a unit that is subject to the CAIR SO₂ Trading Program under 9 VAC 5-140-3040 and, except for purposes of 9 VAC 5-140-3050, a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part.

"Clean Air Act" or "CAA" means the Clean Air Act, 42 U.S.C. 7401, et seq.

"Coal" means any solid fuel classified as anthracite, bituminous, subbituminous, or lignite.

"Coal-derived fuel" means any fuel (whether in a solid, liquid, or gaseous state) produced by the mechanical, thermal, or chemical processing of coal.

"Coal-fired" means combusting any amount of coal or coal-derived fuel, alone, or in combination with any amount of any other fuel.

"Cogeneration unit" means a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine:

1. Having equipment used to produce electricity and useful thermal energy for industrial, commercial, heating, or cooling purposes through the sequential use of energy; and

2. Producing during the 12-month period starting on the date the unit first produces electricity and during any calendar year after which the unit first produces electricity –

a. For a topping-cycle cogeneration unit,

(1) Useful thermal energy not less than 5.0% of total energy output; and

(2) Useful power that, when added to one-half of useful thermal energy produced, is not less than 42.5% of total energy input, if useful thermal energy produced is 15.0% or

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more of total energy output, or not less than 45.0% of total energy input, if useful thermal energy produced is less than 15.0% of total energy output.

b. For a bottoming-cycle cogeneration unit, useful power not less than 45.0% of total energy input.

"Combustion turbine" means:

1. An enclosed device comprising a compressor, a combustor, and a turbine and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine; and

2. If the enclosed device under subdivision 1 of this definition is combined cycle, any associated heat recovery steam generator and steam turbine.

"Commence commercial operation" means, with regard to a unit serving a generator:

1. To have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation, except as provided in 9 VAC 5-140-3050.

a. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3050, for a unit that is not a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences commercial operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3 of this definition, the unit's date for commencement of commercial operation shall be the date on which the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

a. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3840 H, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the unit's date for commencement of commercial operation shall be the date on which the owner or operator is required to start monitoring and reporting the SO₂ emissions rate and the heat input of the unit under 9 VAC 5-140-3840 B 1 a.

a. For a unit with a date for commencement of commercial operation as

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defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of commercial operation.

b. For a unit with a date for commencement of commercial operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of commercial operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

4. Notwithstanding subdivisions 1 through 3 of this definition, for a unit not serving a generator producing electricity for sale, the unit's date of commencement of operation shall also be the unit's date of commencement of commercial operation.

"Commence operation" means:

1. To have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit's combustion chamber, except as provided in 9 VAC 5-140-3050.

a. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit that is a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

2. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-140-3050, for a unit that is not a CAIR SO₂ unit under 9 VAC 5-140-3040 on the date the unit commences operation as defined in subdivision 1 of this definition and is not a unit under subdivision 3) of this definition, the unit's date for commencement of operation shall be the date on which the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

a. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation.

b. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate.

3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-130-3840 H, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the unit's date for commencement of operation shall be the date on which the owner or operator is required to start monitoring and reporting the SO₂ emissions rate and the heat input of the unit under 9 VAC 5-140-3840 B 1 a.

a. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of

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operation.

b. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.

"Common stack" means a single flue through which emissions from 2 or more units are exhausted.

"Compliance account" means a CAIR SO₂ Allowance Tracking System account, established by the administrator for a CAIR SO₂ source subject to an Acid Rain emissions limitations under 40 CFR 73.31(a) or (b) or for any other CAIR SO₂ source under Article 36 (9 VAC 5-140-3500 et seq.) or Article 39 (9 VAC 5-140-3800 et seq.) of this part, in which any CAIR SO₂ allowance allocations for the CAIR SO₂ units at the source are initially recorded and in which are held any CAIR SO₂ allowances available for use for a control period in order to meet the source's CAIR SO₂ emissions limitation in accordance with 9 VAC 5-140-3540.

"Continuous emission monitoring system" or "CEMS" means the equipment required under Article 38 (9 VAC 5-140-3700 et seq.) of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of sulfur dioxide emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with 40 CFR Part 75. The following systems are the principal types of continuous emission monitoring systems required under Article 38 (9 VAC 5-140-3700 et seq.) of this part:

1. A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh);

2. A sulfur dioxide monitoring system, consisting of a SO₂ pollutant concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of SO₂ emissions, in parts per million (ppm);

3. A moisture monitoring system, as defined in 40 CFR 75.11(b)(2) and providing a permanent, continuous record of the stack gas moisture content, in percent H₂O;

4. A carbon dioxide monitoring system, consisting of a CO₂ pollutant concentration monitor (or an oxygen monitor plus suitable mathematical equations from which the CO₂ concentration is derived) and an automated data acquisition and handling system and providing a permanent, continuous record of CO₂ emissions, in percent CO₂; and

5. An oxygen monitoring system, consisting of an O₂ concentration monitor and an automated data acquisition and handling system and providing a permanent, continuous record of O₂ in percent O₂.

"Control period" means the period beginning January 1 of a calendar year, except as provided in 9 VAC 5-140-3060 C 2, and ending on December 31 of the same year, inclusive.

"Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the administrator by the CAIR designated representative and as determined by the administrator in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.

"Excess emissions" means any ton, or portion of a ton, of sulfur dioxide emitted by the CAIR SO₂ units at a CAIR SO₂ source during a control period that exceeds the CAIR SO₂ emissions

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limitation for the source, provided that any portion of a ton of excess emissions shall be treated as one ton of excess emissions.

"Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

"Fossil-fuel-fired" means, with regard to a unit, combusting any amount of fossil fuel in any calendar year.

"General account" means a CAIR SO₂ Allowance Tracking System account, established under Article 36 (9 VAC 5-140-3500 et seq.) of this part, that is not a compliance account.

"Generator" means a device that produces electricity.

"Heat input" means, with regard to a specified period of time, the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) divided by 1,000,000 Btu/mmBtu and multiplied by the fuel feed rate into a combustion device (in lb of fuel/time), as measured, recorded, and reported to the administrator by the CAIR designated representative and determined by the administrator in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part and excluding the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

"Heat input rate" means the amount of heat input (in mmBtu) divided by unit operating time (in hr) or, with regard to a specific fuel, the amount of heat input attributed to the fuel (in mmBtu) divided by the unit operating time (in hr) during which the unit combusts the fuel.

"Implementation plan" means the portion or portions of the state implementation plan, or the most recent revision thereof, which has been approved in subpart VV of 40 CFR Part 52 by the administrator under § 110 of the CAA, or promulgated under § 110(c) of the CAA, or promulgated or approved pursuant to regulations promulgated under § 301(d) of the CAA and which implements the relevant requirements of the CAA.

"Life-of-the-unit, firm power contractual arrangement" means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy generated by any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

1. For the life of the unit;
2. For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or
3. For a period no less than 25 years or 70.0% of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

"Maximum design heat input" means, starting from the initial installation of a unit, the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis as specified by the manufacturer of the unit, or, starting from the completion of any subsequent physical change in the unit resulting in a decrease in the maximum amount of fuel per hour (in Btu/hr) that a unit is capable of combusting on a steady state basis, such decreased maximum amount as specified by the person conducting the physical change.

"Monitoring system" means any monitoring system that meets the requirements of Article 37 (9 VAC 5-140-3600 et seq.) of this part, including a continuous emissions monitoring system, an alternative monitoring system, or an excepted monitoring system under 40 CFR Part 75.

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"Most stringent state or federal SO₂ emissions limitation" means, with regard to a unit, the lowest SO₂ emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under the Virginia Air Pollution Control Law or federal law, regardless of the averaging period to which the emissions limitation applies.

"Nameplate capacity" means, starting from the initial installation of a generator, the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings) as specified by the manufacturer of the generator or, starting from the completion of any subsequent physical change in the generator resulting in an increase in the maximum electrical generating output (in MWe) that the generator is capable of producing on a steady state basis and during continuous operation (when not restricted by seasonal or other deratings), such increased maximum amount as specified by the person conducting the physical change.

"Operator" means any person who operates, controls, or supervises a CAIR SO₂ unit or a CAIR SO₂ source and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

"Owner" means any of the following persons:

1. With regard to a CAIR SO₂ source or a CAIR SO₂ unit at a source, respectively:

a. Any holder of any portion of the legal or equitable title in a CAIR SO₂ unit at the source or the CAIR SO₂ unit;

b. Any holder of a leasehold interest in a CAIR SO₂ unit at the source or the CAIR SO₂ unit; or

c. Any purchaser of power from a CAIR SO₂ unit at the source or the CAIR SO₂ unit under a life-of-the-unit, firm power contractual arrangement; provided that, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based (either directly or indirectly) on the revenues or income from such CAIR SO₂ unit; or

2. With regard to any general account, any person who has an ownership interest with respect to the CAIR SO₂ allowances held in the general account and who is subject to the binding agreement for the CAIR authorized account representative to represent the person's ownership interest with respect to CAIR SO₂ allowances.

"Permitting authority" means the State Air Pollution Control Board.

"Potential electrical output capacity" means 33.0% of a unit's maximum design heat input, divided by 3,413 Btu/kWh, divided by 1,000 kWh/MWh, and multiplied by 8,760 hr/yr.

"Receive or receipt of" means, when referring to the permitting authority or the administrator, to come into possession of a document, information, or correspondence (whether sent in hard copy or by authorized electronic transmission), as indicated in an official correspondence log, or by a notation made on the document, information, or correspondence, by the permitting authority or the administrator in the regular course of business.

"Recordation," "record," or "recorded" means, with regard to CAIR SO₂ allowances, the movement of CAIR SO₂ allowances by the administrator into or between CAIR SO₂ Allowance Tracking System accounts, for purposes of allocation, transfer, or deduction.

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"Reference method" means any direct test method of sampling and analyzing for an air pollutant as specified in 40 CFR 75.22.

"Repowered" means, with regard to a unit, replacement of a coal-fired boiler with one of the following coal-fired technologies at the same source as the coal-fired boiler:

1. Atmospheric or pressurized fluidized bed combustion;
2. Integrated gasification combined cycle;
3. Magnetohydrodynamics;
4. Direct and indirect coal-fired turbines;
5. Integrated gasification fuel cells; or
6. As determined by the administrator in consultation with the Secretary of Energy, a derivative of one or more of the technologies under subdivisions 1 through 5 of this definition and any other coal-fired technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of January 1, 2005.

"Serial number" means, for a CAIR SO₂ allowance, the unique identification number assigned to each CAIR SO₂ allowance by the administrator.

"Sequential use of energy" means:

1. For a topping-cycle cogeneration unit, the use of reject heat from electricity production in a useful thermal energy application or process; or
2. For a bottoming-cycle cogeneration unit, the use of reject heat from useful thermal energy application or process in electricity production.

"Source" means all buildings, structures, or installations located in one or more contiguous or adjacent properties under common control of the same person or persons. For purposes of § 502(c) of the Clean Air Act, a "source," including a "source" with multiple units, shall be considered a single "facility."

"State" means the Commonwealth of Virginia. The term "state" shall have its conventional meaning where such meaning is clear from the context.

"State operating permit" means a permit issued under Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"State operating permit regulations" means the regulations codified in Article 5 (9 VAC 5-80-800 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Submit or serve" means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

1. In person;
2. By United States Postal Service; or
3. By other means of dispatch or transmission and delivery. Compliance with any "submission" or "service" deadline shall be determined by the date of dispatch, transmission, or mailing and

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not the date of receipt.

"Title V operating permit" means a permit issued under Article 1 (9 VAC 5-80-50 et seq.) or Article 3 (9 VAC 5-80-360 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Title V operating permit regulations" means the regulations codified in Article 1 (9 VAC 5-80-50 et seq.), Article 2 (9 VAC 5-80-310 et seq.), Article 3 (9 VAC 5-80-360 et seq.), and Article 4 (9 VAC 5-80-710 et seq.) of Part II of 9 VAC 5 Chapter 80.

"Ton" means 2,000 pounds. For the purpose of determining compliance with the CAIR SO₂ emissions limitation, total tons of sulfur dioxide emissions for a control period shall be calculated as the sum of all recorded hourly emissions (or the mass equivalent of the recorded hourly emission rates) in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, but with any remaining fraction of a ton equal to or greater than 0.50 tons deemed to equal one ton and any remaining fraction of a ton less than 0.50 tons deemed to equal zero tons.

"Topping-cycle cogeneration unit" means a cogeneration unit in which the energy input to the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.

"Total energy input" means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself.

"Total energy output" means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.

"Unit" means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.

"Unit operating day" means a calendar day in which a unit combusts any fuel.

"Unit operating hour" or "hour of unit operation" means an hour in which a unit combusts any fuel.

"Useful power" means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).

"Useful thermal energy" means, with regard to a cogeneration unit, thermal energy that is:

1. Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;

2. Used in a heating application (e.g., space heating or domestic hot water heating); or

3. Used in a space cooling application (i.e., thermal energy used by an absorption chiller).

"Utility power distribution system" means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.

9 VAC 5-140-3030. Measurements, abbreviations, and acronyms.

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Measurements, abbreviations, and acronyms used in this part are defined as follows:

Btu-British thermal unit.
CO₂-carbon dioxide.
NO_x-nitrogen oxides.
hr-hour.
kW-kilowatt electrical.
kWh-kilowatt hour.
mmBtu-million Btu.
MWe-megawatt electrical.
MWh-megawatt hour.
O₂-oxygen.
ppm-parts per million.
lb-pound.
scfh-standard cubic feet per hour.
SO₂-sulfur dioxide.
H₂O-water.
yr-year.

9 VAC 5-140-3040. Applicability.

The following units shall be CAIR SO₂ units, and any source that includes one or more such units shall be a CAIR SO₂ source, subject to the requirements of this article and Articles 32 (9 VAC 5-140-3100 et seq.) through 38 (9 VAC 5-140-3700 et seq.) of this part:

A. Except as provided in subsection B of this section, a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.

B. For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MWe and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to subsection A of this section starting on the day on which the unit first no longer qualifies as a cogeneration unit.

9 VAC 5-140-3050. Retired unit exemption.

A.1. Any CAIR SO₂ unit that is permanently retired and is not a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part shall be exempt from the CAIR SO₂ Trading Program, except for the provisions of this section, 9 VAC 5-140-3020, 9 VAC 5-140-3030, 9 VAC 5-140-3040, 9 VAC 5-140-3060 C 4 through 7, 9 VAC 5-140-3070, and Articles 32 (9 VAC 5-140-3100 et seq.), 36 (9 VAC 5-140-3500 et seq.), and 37 (9 VAC 5-140-3600 et seq.) of this part.

2. The exemption under subdivision A 1 of this section shall become effective the day on which the CAIR SO₂ unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the administrator. The statement shall state, in a format acceptable to the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of subsection B of this section.

3. After receipt of the statement under subdivision A 2 of this section, the permitting

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authority will amend any permit under Article 33 (9 VAC 5-140-3200 et seq.) of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under subdivision A 1 and subsection B of this section.

B. Special provisions for exempt units shall be as follows:

1. A unit exempt under subsection A of this section shall not emit any sulfur dioxide, starting on the date that the exemption takes effect.

2. For a period of five years from the date the records are created, the owners and operators of a unit exempt under subsection A of this section shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

3. The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under subsection A of this section shall comply with the requirements of the CAIR SO₂ Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or shall be complied with, after the exemption takes effect.

4. A unit exempt under subsection A of this section and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under 9 VAC 5-140-3220 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the unit resumes operation.

5. On the earlier of the following dates, a unit exempt under subsection A of this section shall lose its exemption:

a. The date on which the CAIR designated representative submits a CAIR permit application for the unit under subdivision B 4 of this section;

b. The date on which the CAIR designated representative is required under subdivision B 4 of this section to submit a CAIR permit application for the unit; or

c. The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.

6. For the purpose of applying monitoring, reporting, and recordkeeping requirements under Article 38 (9 VAC 5-140-3700 et seq.) of this part, a unit that loses its exemption under subsection A of this section shall be treated as a unit that commences operation and commercial operation on the first date on which the unit resumes operation.

9 VAC 5-140-3060. Standard requirements.

A. Permit requirements shall be as follows:

1. The CAIR designated representative of each CAIR SO₂ source required to have a title V operating permit and each CAIR SO₂ unit required to have a title V operating permit at the source shall:

a. Submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-3220 in accordance with the deadlines specified in 9 VAC 5-140-3210; and

b. Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR

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permit.

2. The owners and operators of each CAIR SO₂ source required to have a title V operating permit and each CAIR SO₂ unit required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under Article 33 (9 VAC 5-140-3200 et seq.) of this part for the source and operate the source and the unit in compliance with such CAIR permit.

3. Except as provided in Article 39 (9 VAC 5-140-3800 et seq.) of this part, the owners and operators of a CAIR SO₂ source that is not otherwise required to have a title V operating permit and each CAIR SO₂ unit that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under Article 33 (9 VAC 5-140-3200 et seq.) of this part for such CAIR SO₂ source and such CAIR SO₂ unit.

B. Monitoring, reporting, and recordkeeping shall be performed as follows:

1. The owners and operators, and the CAIR designated representative, of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part.

2. The emissions measurements recorded and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part shall be used to determine compliance by each CAIR SO₂ source with the CAIR SO₂ emissions limitation under subsection c of this section.

C. Sulfur dioxide emission requirements shall be as follows:

1. As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, a tonnage equivalent in CAIR SO₂ allowances available for compliance deductions for the control period, as determined in accordance with 9 VAC 5-140-3540 A and B, not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO₂ units at the source, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.

2. A CAIR SO₂ unit shall be subject to the requirements under subdivision C 1 of this section for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under 9 VAC 5-140-3700 B 1, 2, or 5 and for each control period thereafter.

3. A CAIR SO₂ allowance shall not be deducted, for compliance with the requirements under subdivision C 1 of this section, for a control period in a calendar year before the year for which the CAIR SO₂ allowance was allocated.

4. CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ Allowance Tracking System accounts in accordance with Articles 36 (9 VAC 5-140-3500 et seq.) and 37 (9 VAC 5-140-3600 et seq.) of this part.

5. A CAIR SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ Trading Program. No provision of the CAIR SO₂ Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-3050 and no provision of law shall be construed to limit the authority of the state or the United States to terminate or limit such authorization.

6. A CAIR SO₂ allowance does not constitute a property right.

7. Upon recordation by the administrator under Article 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from a CAIR SO₂ unit's compliance account is incorporated

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automatically in any CAIR permit of the source that includes the CAIR SO₂ unit.

D. If a CAIR SO₂ source emits sulfur dioxide during any control period in excess of the CAIR SO₂ emissions limitation, then:

1. The owners and operators of the source and each CAIR SO₂ unit at the source shall surrender the CAIR SO₂ allowances required for deduction under 9 VAC 5-140-3540 D 1 and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or the Virginia Air Pollution Control Law; and

2. Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this article, the Clean Air Act, and the Virginia Air Pollution Control Law.

E. Recordkeeping and reporting shall be performed as follows:

1. Unless otherwise provided, the owners and operators of the CAIR SO₂ source and each CAIR SO₂ unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time before the end of five years, in writing by the permitting authority or the administrator.

a. The certificate of representation under 9 VAC 5-140-3130 for the CAIR designated representative for the source and each CAIR SO₂ unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under 9 VAC 5-140-3130 changing the CAIR designated representative.

b. All emissions monitoring information, in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, provided that to the extent that Article 38 (9 VAC 5-140-3700 et seq.) of this part provides for a 3-year period for recordkeeping, the 3-year period shall apply.

c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO₂ Trading Program.

d. Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR SO₂ Trading Program or to demonstrate compliance with the requirements of the CAIR SO₂ Trading Program.

2. The CAIR designated representative of a CAIR SO₂ source and each CAIR SO₂ unit at the source shall submit the reports required under the CAIR SO₂ Trading Program, including those under Article 38 (9 VAC 5-140-3700 et seq.) of this part.

F. Liability shall be assigned as follows:

1. Each CAIR SO₂ source and each CAIR SO₂ unit shall meet the requirements of the CAIR SO₂ Trading Program.

2. Any provision of the CAIR SO₂ Trading Program that applies to a CAIR SO₂ source or the CAIR designated representative of a CAIR SO₂ source shall also apply to the owners and operators of such source and of the CAIR SO₂ units at the source.

3. Any provision of the CAIR SO₂ Trading Program that applies to a CAIR SO₂ unit or the CAIR designated representative of a CAIR SO₂ unit shall also apply to the owners and operators of such unit.

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G. No provision of the CAIR SO₂ Trading Program, a CAIR permit application, a CAIR permit, or an exemption under 9 VAC 5-140-3050 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR SO₂ source or CAIR SO₂ unit from compliance with any other provision of the applicable state implementation plan, a state operating permit, the Virginia Air Pollution Control Law, or the Clean Air Act.

9 VAC 5-140-3070. Computation of time.

A. Unless otherwise stated, any time period scheduled, under the CAIR SO₂ Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

B. Unless otherwise stated, any time period scheduled, under the CAIR SO₂ Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

C. Unless otherwise stated, if the final day of any time period, under the CAIR SO₂ Trading Program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.

9 VAC 5-140-3080. Appeal Procedures.

The appeal procedures for decisions of the administrator under the CAIR SO₂ Trading Program are set forth in 40 CFR Part 78.

Article 32.

CAIR Designated Representative for CAIR SO₂ Sources.

9 VAC 5-140-3100. Authorization and responsibilities of CAIR designated representative.

A. Except as provided under 9 VAC 5-140-3110, each CAIR SO₂ source, including all CAIR SO₂ units at the source, shall have one and only one CAIR designated representative, with regard to all matters under the CAIR SO₂ Trading Program concerning the source or any CAIR SO₂ unit at the source.

B. The CAIR designated representative of the CAIR SO₂ source shall be selected by an agreement binding on the owners and operators of the source and all CAIR SO₂ units at the source and shall act in accordance with the certification statement in 9 VAC 5-140-3130 A 4 d.

C. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, the CAIR designated representative of the source shall represent and, by the CAIR designated representative's representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR SO₂ source represented and each CAIR SO₂ unit at the source in all matters pertaining to the CAIR SO₂ Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the administrator, or a court regarding the source or unit.

D. No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR SO₂ Allowance Tracking System account will be established for a CAIR SO₂ unit at a source, until the administrator has received a complete certificate of representation under 9 VAC 5-140-3130 for a CAIR designated representative of the source and the CAIR SO₂ units at the source.

E.1. Each submission under the CAIR SO₂ Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR SO₂ source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated

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representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

2. The permitting authority and the administrator will accept or act on a submission made on behalf of owner or operators of a CAIR SO₂ source or a CAIR SO₂ unit only if the submission has been made, signed, and certified in accordance with subdivision E 1 of this section.

9 VAC 5-140-3110. Alternate CAIR designated representative.

A. A certificate of representation under 9 VAC 5-140-3130 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative.

B. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative.

C. Except in this section and 9 VAC 5-140-3020, 9 VAC 5-140-3100 A and D, 9 VAC 5-140-3120, 9 VAC 5-140-3130, 9 VAC 5-140-3510, and 9 VAC 5-140-3820, whenever the term "CAIR designated representative" is used in this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

9 VAC 5-140-3120. Changing CAIR designated representative and alternate CAIR designated representative; changes in owners and operators.

A. The CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-3130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new CAIR designated representative and the owners and operators of the CAIR SO₂ source and the CAIR SO₂ units at the source.

B. The alternate CAIR designated representative may be changed at any time upon receipt by the administrator of a superseding complete certificate of representation under 9 VAC 5-140-3130. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR designated representative before the time and date when the administrator receives the superseding certificate of representation shall be binding on the new alternate CAIR designated representative and the owners and operators of the CAIR SO₂ source and the CAIR SO₂ units at the source.

C. Changes in owners and operators shall be established as follows:

1. In the event a new owner or operator of a CAIR SO₂ source or a CAIR SO₂ unit is not included in the list of owners and operators in the certificate of representation under 9 VAC 5-140-3130, such new owner or operator shall be deemed to be subject to and bound by the certificate of representation, the representations, actions, inactions, and submissions of the CAIR designated representative and any alternate CAIR designated representative of the source or unit, and the decisions and orders of the

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permitting authority, the administrator, or a court, as if the new owner or operator were included in such list.

2. Within 30 days following any change in the owners and operators of a CAIR SO₂ source or a CAIR SO₂ unit, including the addition of a new owner or operator, the CAIR designated representative or any alternate CAIR designated representative shall submit a revision to the certificate of representation under 9 VAC 5-140-3130 amending the list of owners and operators to include the change.

9 VAC 5-140-3130. Certificate of representation.

A. A complete certificate of representation for a CAIR designated representative or an alternate CAIR designated representative shall include the following elements in a format prescribed by the administrator:

1. Identification of the CAIR SO₂ source, and each CAIR SO₂ unit at the source, for which the certificate of representation is submitted.

2. The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR designated representative and any alternate CAIR designated representative.

3. A list of the owners and operators of the CAIR SO₂ source and of each CAIR SO₂ unit at the source.

4. The following certification statements by the CAIR designated representative and any alternate CAIR designated representative--

a. "I certify that I was selected as the CAIR designated representative or alternate CAIR designated representative, as applicable, by an agreement binding on the owners and operators of the source and each CAIR SO₂ unit at the source."

b. "I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO₂ Trading Program on behalf of the owners and operators of the source and of each CAIR SO₂ unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions."

c. "I certify that the owners and operators of the source and of each CAIR SO₂ unit at the source shall be bound by any order issued to me by the administrator, the permitting authority, or a court regarding the source or unit."

d. "Where there are multiple holders of a legal or equitable title to, or a leasehold interest in, a CAIR SO₂ unit, or where a customer purchases power from a CAIR SO₂ unit under a life-of-the-unit, firm power contractual arrangement, I certify that: I have given a written notice of my selection as the 'CAIR designated representative' or 'alternate CAIR designated representative,' as applicable, and of the agreement by which I was selected to each owner and operator of the source and of each CAIR SO₂ unit at the source; and CAIR SO₂ allowances and proceeds of transactions involving CAIR SO₂ allowances will be deemed to be held or distributed in proportion to each holder's legal, equitable, leasehold, or contractual reservation or entitlement, except that, if such multiple holders have expressly provided for a different distribution of CAIR SO₂ allowances by contract, CAIR SO₂ allowances and proceeds of transactions involving CAIR SO₂ allowances will be deemed to be held or distributed in accordance with the contract."

5. The signature of the CAIR designated representative and any alternate CAIR designated representative and the dates signed.

B. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the certificate of representation shall not be submitted to the permitting authority or

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the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

9 VAC 5-140-3140. Objections concerning CAIR designated representative.

A. Once a complete certificate of representation under 9 VAC 5-140-3130 has been submitted and received, the permitting authority and the administrator will rely on the certificate of representation unless and until a superseding complete certificate of representation under 9 VAC 5-140-3130 is received by the administrator.

B. Except as provided in 9 VAC 5-140-3120 A or B, no objection or other communication submitted to the permitting authority or the administrator concerning the authorization, or any representation, action, inaction, or submission, of the CAIR designated representative shall affect any representation, action, inaction, or submission of the CAIR designated representative or the finality of any decision or order by the permitting authority or the administrator under the CAIR SO₂ Trading Program.

C. Neither the permitting authority nor the administrator will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any CAIR designated representative, including private legal disputes concerning the proceeds of CAIR SO₂ allowance transfers.

Article 33.
Permits.

9 VAC 5-140-3200. General CAIR SO₂ Trading Program permit requirements.

A. For each CAIR SO₂ source required to have a title V operating permit or required, under Article 39 (9 VAC 5-140-3800 et seq.) of this part, to have a title V operating permit or state operating permit, such permit shall include a CAIR permit administered by the permitting authority for the title V operating permit or the state operating permit as applicable. The CAIR portion of the title V permit or state operating permit as applicable shall be administered in accordance with the permitting authority's title V operating permit regulations or regulations for state operating permits as applicable, except as provided otherwise by this article and Article 39 (9 VAC 5-140-3800 et seq.) of this part.

B. Each CAIR permit shall contain, with regard to the CAIR SO₂ source and the CAIR SO₂ units at the source covered by the CAIR permit, all applicable CAIR SO₂ Trading Program, CAIR NO_x Annual Trading Program, and CAIR NO_x Ozone Season Trading Program requirements and shall be a complete and separable portion of the title V operating permit or state operating permit under subsection A of this section.

9 VAC 5-140-3210. Submission of CAIR permit applications.

A. The CAIR designated representative of any CAIR SO₂ source required to have a title V operating permit shall submit to the permitting authority a complete CAIR permit application under 9 VAC 5-140-3220 for the source covering each CAIR SO₂ unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the CAIR SO₂ unit commences operation.

B. For a CAIR SO₂ source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under 9 VAC 5-3220 for the source covering each CAIR SO₂ unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permit regulations addressing permit renewal.

9 VAC 5-140-3220. Information requirements for CAIR permit applications.

A complete CAIR permit application shall include the following elements concerning the CAIR SO₂

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source for which the application is submitted, in a format acceptable to the permitting authority:

- A. Identification of the CAIR SO₂ source:
- B. Identification of each CAIR SO₂ unit at the CAIR SO₂ source; and
- C. The standard requirements under 9 VAC 5-140-3060.

9 VAC 5-140-3230. CAIR permit contents and term.

- A. Each CAIR permit will contain, in a format acceptable to the permitting authority, all elements required for a complete CAIR permit application under 9 VAC 5-140-3220.
- B. Each CAIR permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Article 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from the compliance account of the CAIR SO₂ source covered by the permit.
- C. The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR SO₂ source's title V operating permit or state operating permit as applicable.

9 VAC 5-140-3240. CAIR permit revisions.

Except as provided in 9 VAC 5-140-3230, the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permit regulations or the permitting authority's regulations for state operating permits as applicable addressing permit revisions.

Article 34.
[Reserved].

Article 35.
[Reserved].

Article 36.
CAIR SO₂ Allowance Tracking System.

9 VAC 5-140-3500. [Reserved].

9 VAC 5-140-3510. Establishment of accounts.

- A. Except as provided in 9 VAC 5-140-3840 E, upon receipt of a complete certificate of representation under 9 VAC 5-140-3130, the administrator will establish a compliance account for the CAIR SO₂ source for which the certificate of representation was submitted, unless the source already has a compliance account.
- B. General accounts shall be established as follows:
 - 1. Applications for general accounts shall be submitted as follows:
 - a. Any person may apply to open a general account for the purpose of holding and

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transferring CAIR SO₂ allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative.

b. A complete application for a general account shall be submitted to the administrator and shall include the following elements in a format prescribed by the administrator:

(1) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative;

(2) Organization name and type of organization, if applicable;

(3) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR SO₂ allowances held in the general account;

(4) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR SO₂ allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CAIR SO₂ Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the administrator or a court regarding the general account."

(5) The signature of the CAIR authorized account representative and any alternate CAIR authorized account representative and the dates signed.

c. Unless otherwise required by the permitting authority or the administrator, documents of agreement referred to in the application for a general account shall not be submitted to the permitting authority or the administrator. Neither the permitting authority nor the administrator shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

2. Authorization of a CAIR authorized account representative shall be established as follows:

a. Upon receipt by the administrator of a complete application for a general account under subdivision B 1 of this section:

(1) The administrator will establish a general account for the person or persons for whom the application is submitted.

(2) The CAIR authorized account representative and any alternate CAIR authorized account representative for the general account shall represent and, by such persons' representations, actions, inactions, or submissions, legally bind each person who has an ownership interest with respect to CAIR SO₂ allowances held in the general account in all matters pertaining to the CAIR SO₂ Trading Program, notwithstanding any agreement between the CAIR authorized account representative or any alternate CAIR authorized account representative and such person. Any such person shall be bound by any order or decision issued to the CAIR authorized account representative or any alternate CAIR authorized account representative by the administrator or a court regarding the general account.

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(3) Any representation, action, inaction, or submission by any alternate CAIR authorized account representative shall be deemed to be a representation, action, inaction, or submission by the CAIR authorized account representative.

b. Each submission concerning the general account shall be submitted, signed, and certified by the CAIR authorized account representative or any alternate CAIR authorized account representative for the persons having an ownership interest with respect to CAIR SO₂ allowances held in the general account. Each such submission shall include the following certification statement by the CAIR authorized account representative or any alternate CAIR authorized account representative: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the CAIR SO₂ allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

c. The administrator will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with subdivision B 2 b of this section.

3. Changing the CAIR authorized account representative and alternate CAIR authorized account representative and changes in persons with ownership interest shall be accomplished as follows:

a. The CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision B 1 of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO₂ allowances in the general account.

b. The alternate CAIR authorized account representative for a general account may be changed at any time upon receipt by the administrator of a superseding complete application for a general account under subdivision B 1 of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate CAIR authorized account representative before the time and date when the administrator receives the superseding application for a general account shall be binding on the new alternate CAIR authorized account representative and the persons with an ownership interest with respect to the CAIR SO₂ allowances in the general account.

c.(1) In the event a new person having an ownership interest with respect to CAIR SO₂ allowances in the general account is not included in the list of such persons in the application for a general account, such new person shall be deemed to be subject to and bound by the application for a general account, the representation, actions, inactions, and submissions of the CAIR authorized account representative and any alternate CAIR authorized account representative of the account, and the decisions and orders of the administrator or a court, as if the new person were included in such list.

(2) Within 30 days following any change in the persons having an ownership interest with respect to CAIR SO₂ allowances in the general account, including the addition of persons, the CAIR authorized account representative or any alternate CAIR authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the CAIR SO₂ allowances in the general account to include the change.

4. Objections concerning the CAIR authorized account representative shall be processed

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as follows:

a. Once a complete application for a general account under subdivision B 1 of this section has been submitted and received, the administrator will rely on the application unless and until a superseding complete application for a general account under subdivision B 1 of this section is received by the administrator.

b. Except as provided in subdivision B 3 a or b of this section, no objection or other communication submitted to the administrator concerning the authorization, or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account shall affect any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative or the finality of any decision or order by the administrator under the CAIR SO₂ Trading Program.

c. The administrator will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the CAIR authorized account representative or any alternative CAIR authorized account representative for a general account, including private legal disputes concerning the proceeds of CAIR SO₂ allowance transfers.

C. The administrator will assign a unique identifying number to each account established under subsection A or B of this section.

9 VAC 5-140-3520. Responsibilities of CAIR authorized account representative.

Following the establishment of a CAIR SO₂ Allowance Tracking System account, all submissions to the administrator pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of CAIR SO₂ allowances in the account, shall be made only by the CAIR authorized account representative for the account.

9 VAC 5-140-3530. Recordation of CAIR SO₂ allowances.

A.1. After a compliance account is established under 9 VAC 5-140-3510 A or 40 CFR 73.31(a) or (b), the administrator will record in the compliance account any CAIR SO₂ allowance allocated to any CAIR SO₂ unit at the source for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and any CAIR SO₂ allowance allocated for each of the 30 years starting the later of 2010 or the year in which the compliance account is established and transferred to the source in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

2. In 2011 and each year thereafter, after administrator has completed all deductions under 9 VAC 5-140-3540 B, the administrator will record in the compliance account any CAIR SO₂ allowance allocated to any CAIR SO₂ unit at the source for the new 30th year (i.e., the year that is 30 years after the calendar year for which such deductions are or could be made) and any CAIR SO₂ allowance allocated for the new 30th year and transferred to the source in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

B.1. After a general account is established under 9 VAC 5-140-3510 B or 40 CFR 73.31(c), the administrator will record in the general account any CAIR SO₂ allowance allocated for each of the 30 years starting the later of 2010 or the year in which the general account is established and transferred to the general account in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73.

2. In 2011 and each year thereafter, after administrator has completed all deductions under 9 VAC 5-140-3540 B, the administrator will record in the general account any CAIR SO₂ allowance allocated for the new 30th year (i.e., the year that is 30 years after the calendar year for which such deductions are or could be made) and transferred to the general account in accordance with Article 37 (9 VAC 5-140-3600 et

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seq.) of this part or subpart D of 40 CFR Part 73.

C. When recording the allocation of CAIR SO₂ allowances issued by a permitting authority under 9 VAC 5-140-3880, the administrator will assign each such CAIR SO₂ allowance a unique identification number that will include digits identifying the year of the control period for which the CAIR SO₂ allowance is allocated.

9 VAC 5-140-3540. Compliance with CAIR SO₂ emissions limitation.

A. The CAIR SO₂ allowances are available to be deducted for compliance with a source's CAIR SO₂ emissions limitation for a control period in a given calendar year only if the CAIR SO₂ allowances:

1. Were allocated for the control period in the year or a prior year;
2. Are held in the compliance account as of the allowance transfer deadline for the control period or are transferred into the compliance account by a CAIR SO₂ allowance transfer correctly submitted for recordation under 9 VAC 5-140-3600 by the allowance transfer deadline for the control period; and
3. Are not necessary for deductions for excess emissions for a prior control period under subsection D of this section or for deduction under 40 CFR Part 77.

B. Following the recordation, in accordance with 9 VAC 5-140-3610, of CAIR SO₂ allowance transfers submitted for recordation in a source's compliance account by the allowance transfer deadline for a control period, the administrator will deduct from the compliance account CAIR SO₂ allowances available under subsection A of this section in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period as follows:

1. For a CAIR SO₂ source subject to an Acid Rain emissions limitation, the administrator will, in the following order:

a. Deduct the amount of CAIR SO₂ allowances, available under subsection A of this section and not issued by a permitting authority under 9 VAC 5-140-3880, that is required under 40 CFR 73.35(b) and (c). If there are sufficient CAIR SO₂ allowances to complete this deduction, the deduction will be treated as satisfying the requirements of 40 CFR 73.35(b) and (c).

b. Deduct the amount of CAIR SO₂ allowances, available under subsection A of this section and not issued by a permitting authority under 9 VAC 5-140-3880, that is required under 40 CFR 73.35 and 77.5. If there are sufficient CAIR SO₂ allowances to complete this deduction, the deduction will be treated as satisfying the requirements of 40 CFR 73.35(d) and 77.5.

c. Treating the CAIR SO₂ allowances deducted under subdivision B 1 a of this section as also being deducted under this subdivision, deduct CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period, as follows:

(1) Until the tonnage equivalent of the CAIR SO₂ allowances deducted equals, or exceeds in accordance with subdivisions C 1 and 2 of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, from all CAIR SO₂ units at the source for the control period; or

(2) If there are insufficient CAIR SO₂ allowances to complete the deductions in subdivision (1) of this subdivision, until no more CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 remain in the compliance account.

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2. For a CAIR SO₂ source not subject to an Acid Rain emissions limitation, the administrator will deduct CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880 in order to determine whether the source meets the CAIR SO₂ emissions limitation for the control period, as follows:

a. Until the tonnage equivalent of the CAIR SO₂ allowances deducted equals, or exceeds in accordance with subdivisions C 1 and 2 of this section, the number of tons of total sulfur dioxide emissions, determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, from all CAIR SO₂ units at the source for the control period; or

b. If there are insufficient CAIR SO₂ allowances to complete the deductions in subdivision a of this subdivision, until no more CAIR SO₂ allowances available under subsection A of this section (including any issued by a permitting authority under 9 VAC 5-140-3880) remain in the compliance account.

C.1. The CAIR authorized account representative for a source's compliance account may request that specific CAIR SO₂ allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in accordance with subsection B or D of this section. Such request shall be submitted to the administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the administrator, the identification of the CAIR SO₂ source and the appropriate serial numbers.

2. The administrator will deduct CAIR SO₂ allowances under subsection B or D of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR SO₂ allowances by serial number under subdivision 1 of this subsection, on a first-in, first-out accounting basis in the following order:

a. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period before 2010, in the order of recordation;

b. Any CAIR SO₂ allowances that were allocated to any entity for a control period before 2010 and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation;

c. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period during 2010 through 2014, in the order of recordation;

d. Any CAIR SO₂ allowances that were allocated to any entity for a control period during 2010 through 2014 and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation;

e. Any CAIR SO₂ allowances that were allocated to the units at the source for a control period in 2015 or later, in the order of recordation; and

f. Any CAIR SO₂ allowances that were allocated to any entity for a control period in 2015 or later and transferred and recorded in the compliance account pursuant to Article 37 (9 VAC 5-140-3600 et seq.) of this part or subpart D of 40 CFR Part 73, in the order of recordation.

D. Deductions for excess emissions shall be made as follows:

1. After making the deductions for compliance under subsection B of this section for a control period in a calendar year in which the CAIR SO₂ source has excess emissions, the administrator will deduct from the source's compliance account the tonnage equivalent in CAIR SO₂ allowances, allocated for the control period in the immediately following calendar year (including any issued by a permitting authority under 49 VAC 5-140-3880), equal to, or exceeding in accordance with subdivisions C 1 and 2 of this section,

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3 times the number of tons of the source's excess emissions.

2. Any allowance deduction required under subdivision 1 of this subdivision shall not affect the liability of the owners and operators of the CAIR SO₂ source or the CAIR SO₂ units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or the Virginia Air Pollution Control Law.

E. The administrator will record in the appropriate compliance account all deductions from such an account under subsections B or D of this section.

F. Administrator actions on submissions will occur as follows:

1. The administrator may review and conduct independent audits concerning any submission under the CAIR SO₂ Trading Program and make appropriate adjustments of the information in the submissions.

2. The administrator may deduct CAIR SO₂ allowances from or transfer CAIR SO₂ allowances to a source's compliance account based on the information in the submissions, as adjusted under subdivision 1 of this subdivision.

9 VAC 5-140-3550. Banking.

A. CAIR SO₂ allowances may be banked for future use or transfer in a compliance account or a general account in accordance with subsection B of this section.

B. Any CAIR SO₂ allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR SO₂ allowance is deducted or transferred under 9 VAC 5-140-3540, 9 VAC 5-140-3560, or Article 37 (9 VAC 5-140-3600 et seq.) of this part.

9 VAC 5-140-3560. Account error.

The administrator may, at the administrator's sole discretion and on the administrator's own motion, correct any error in any CAIR SO₂ Allowance Tracking System account. Within 10 business days of making such correction, the administrator will notify the CAIR authorized account representative for the account.

9 VAC 5-140-3570. Closing of general accounts.

A. The CAIR authorized account representative of a general account may submit to the administrator a request to close the account, which shall include a correctly submitted allowance transfer under 9 VAC 5-140-3600 for any CAIR SO₂ allowances in the account to one or more other CAIR SO₂ Allowance Tracking System accounts.

B. If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR SO₂ allowances, the administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the administrator receives a correctly submitted transfer of CAIR SO₂ allowances into the account under 9 VAC 5-140-3600 or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the administrator good cause as to why the account should not be closed.

Article 37.
CAIR SO₂ Allowance Transfers.

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9 VAC 5-140-3600. Submission of CAIR SO₂ allowance transfers.

A. A CAIR authorized account representative seeking recordation of a CAIR SO₂ allowance transfer shall submit the transfer to the administrator. To be considered correctly submitted, the CAIR SO₂ allowance transfer shall include the following elements, in a format specified by the administrator:

1. The account numbers of both the transferor and transferee accounts;
2. The serial number of each CAIR SO₂ allowance that is in the transferor account and is to be transferred; and
3. The name and signature of the CAIR authorized account representatives of the transferor and transferee accounts and the dates signed.

B.1. The CAIR authorized account representative for the transferee account can meet the requirements in subdivision A 3 of this section by submitting, in a format prescribed by the administrator, a statement signed by the CAIR authorized account representative and identifying each account into which any transfer of allowances, submitted on or after the date on which the administrator receives such statement, is authorized. Such authorization shall be binding on any CAIR authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the administrator receives a statement signed by the CAIR authorized account representative retracting the authorization for the account.

2. The statement under subdivision 1 of this subsection shall include the following: "By this signature I authorize any transfer of allowances into each account listed herein, except that I do not waive any remedies under state or federal law to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any CAIR authorized account representative for such account unless and until a statement signed by the CAIR authorized account representative retracting this authorization for the account is received by the administrator."

9 VAC 5-140-3610. EPA recordation.

A. Within 5 business days (except as necessary to perform a transfer in perpetuity of CAIR SO₂ allowances allocated to a CAIR SO₂ unit or as provided in subsection B of this section) of receiving a CAIR SO₂ allowance transfer, the administrator will record a CAIR SO₂ allowance transfer by moving each CAIR SO₂ allowance from the transferor account to the transferee account as specified by the request, provided that:

1. The transfer is correctly submitted under 9 VAC 5-140-3600; and
2. The transferor account includes each CAIR SO₂ allowance identified by serial number in the transfer.

B. A CAIR SO₂ allowance transfer that is submitted for recordation after the allowance transfer deadline for a control period and that includes any CAIR SO₂ allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the administrator completes the deductions under 9 VAC 5-140-3540 for the control period immediately before such allowance transfer deadline.

C. Where a CAIR SO₂ allowance transfer submitted for recordation fails to meet the requirements of subsection A of this section, the administrator will not record such transfer.

9 VAC 5-140-3620. Notification.

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A. Within 5 business days of recordation of a CAIR SO₂ allowance transfer under 9 VAC 5-140-3610, the administrator will notify the CAIR authorized account representatives of both the transferor and transferee accounts.

B. Within 10 business days of receipt of a CAIR SO₂ allowance transfer that fails to meet the requirements of 9 VAC 5-140-3610 A, the administrator will notify the CAIR authorized account representatives of both accounts subject to the transfer of:

1. A decision not to record the transfer, and

2. The reasons for such non-recordation.

C. Nothing in this section shall preclude the submission of a CAIR SO₂ allowance transfer for recordation following notification of non-recordation.

Article 38.
Monitoring and Reporting.

9 VAC 5-140-3700. General requirements.

The owners and operators, and to the extent applicable, the CAIR designated representative, of a CAIR SO₂ unit, shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this article and in subparts F and G of 40 CFR Part 75. For purposes of complying with such requirements, the definitions in 9 VAC 5-140-3020 and in 40 CFR 72.2 shall apply, and the terms "affected unit," "designated representative," and "continuous emission monitoring system (CEMS)" in 40 CFR Part 75 shall be deemed to refer to the terms "CAIR SO₂ unit," "CAIR designated representative," and "continuous emission monitoring system (CEMS)" respectively, as defined in 9 VAC 5-140-3020. The owner or operator of a unit that is not a CAIR SO₂ unit but that is monitored under 40 CFR 75.16(b)(2) shall comply with the same monitoring, recordkeeping, and reporting requirements as a CAIR SO₂ unit.

A. The owner or operator of each CAIR SO₂ unit shall:

1. Install all monitoring systems required under this article for monitoring SO₂ mass emissions and individual unit heat input (including all systems required to monitor SO₂ concentration, stack gas moisture content, stack gas flow rate, CO₂ or O₂ concentration, and fuel flow rate, as applicable, in accordance with 40 CFR 75.11 and 75.16);

2. Successfully complete all certification tests required under 9 VAC 5-140-3710 and meet all other requirements of this article and 40 CFR Part 75 applicable to the monitoring systems under subdivision 1 of this subsection; and

3. Record, report, and quality-assure the data from the monitoring systems under subdivision 1 of this subsection.

B. The owner or operator shall meet the monitoring system certification and other requirements of subdivisions A 1 and 2 of this section on or before the following dates. The owner or operator shall record, report, and quality-assure the data from the monitoring systems under subdivision A 1 of this section on and after the following dates.

1. For the owner or operator of a CAIR SO₂ unit that commences commercial operation before July 1, 2008, by January 1, 2009.

2. For the owner or operator of a CAIR SO₂ unit that commences commercial operation on or after July 1, 2008, by the later of the following dates:

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a. January 1, 2009; or

b. 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which the unit commences commercial operation.

3. For the owner or operator of a CAIR SO₂ unit for which construction of a new stack or flue or installation of add-on SO₂ emission controls is completed after the applicable deadline under subdivisions 1, 2, 4, or 5 of this subsection, by 90 unit operating days or 180 calendar days, whichever occurs first, after the date on which emissions first exit to the atmosphere through the new stack or flue or add-on SO₂ emissions controls.

4. Notwithstanding the dates in subdivisions 1 and 2 of this subsection, for the owner or operator of a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, by the date specified in 9 VAC 5-140-3840 B.

5. Notwithstanding the dates in subdivisions 1 and 2 of this subsection and solely for purposes of 9 VAC 5-140-3060 C 2, for the owner or operator of a CAIR SO₂ opt-in unit under Article 39 (9 VAC 5-140-3800 et seq.) of this part, by the date on which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program as provided in 9 VAC 5-140-3840 G.

C. Data shall be reported as follows:

1. Except as provided in subdivision 2 of this subsection, the owner or operator of a CAIR SO₂ unit that does not meet the applicable compliance date set forth in subsection B of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report maximum potential (or, as appropriate, minimum potential) values for SO₂ concentration, SO₂ emission rate, stack gas flow rate, stack gas moisture content, fuel flow rate, and any other parameters required to determine SO₂ mass emissions and heat input in accordance with 40 CFR 75.31(b)(2) or (c)(3) or section 2.4 of appendix D to 40 CFR Part 75, as applicable.

2. The owner or operator of a CAIR SO₂ unit that does not meet the applicable compliance date set forth in subdivision B 3 of this section for any monitoring system under subdivision A 1 of this section shall, for each such monitoring system, determine, record, and report substitute data using the applicable missing data procedures in subpart D of or appendix D to 40 CFR Part 75, in lieu of the maximum potential (or, as appropriate, minimum potential) values, for a parameter if the owner or operator demonstrates that there is continuity between the data streams for that parameter before and after the construction or installation under subdivision B 3 of this section.

D. The following prohibitions shall apply.

1. No owner or operator of a CAIR SO₂ unit shall use any alternative monitoring system, alternative reference method, or any other alternative to any requirement of this article without having obtained prior written approval in accordance with 9 VAC 5-140-3750.

2. No owner or operator of a CAIR SO₂ unit shall operate the unit so as to discharge, or allow to be discharged, SO₂ emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this article and 40 CFR Part 75.

3. No owner or operator of a CAIR SO₂ unit shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording SO₂ mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this article and 40 CFR Part 75.

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4. No owner or operator of a CAIR SO₂ unit shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved monitoring system under this article, except under any one of the following circumstances:

a. During the period that the unit is covered by an exemption under 9 VAC 5-140-3050 that is in effect;

b. The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this article and 40 CFR Part 75, by the permitting authority for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

c. The CAIR designated representative submits notification of the date of certification testing of a replacement monitoring system for the retired or discontinued monitoring system in accordance with 9 VAC 5-140-3710 D 3 a.

9 VAC 5-140-3710. Initial certification and recertification procedures.

A. The owner or operator of a CAIR SO₂ unit shall be exempt from the initial certification requirements of this section for a monitoring system under 9 VAC 5-140-3700 A 1 if the following conditions are met:

1. The monitoring system has been previously certified in accordance with 40 CFR Part 75; and

2. The applicable quality-assurance and quality-control requirements of 40 CFR 75.21 and appendix B and appendix D to 40 CFR Part 75 are fully met for the certified monitoring system described in subdivision 1 of this subsection.

B. The recertification provisions of this section shall apply to a monitoring system under 9 VAC 5-140-3700 A 1 exempt from initial certification requirements under subsection A of this section.

C. If the administrator has previously approved a petition under 40 CFR 75.16(b)(2)(ii) for apportioning the SO₂ mass emissions measured in a common stack or a petition under 40 CFR 75.66 for an alternative to a requirement in 40 CFR 75.11 or 75.16, the CAIR designated representative shall resubmit the petition to the administrator under 9 VAC 5-140-3750 A to determine whether the approval applies under the CAIR SO₂ Trading Program.

D. Except as provided in subsection A of this section, the owner or operator of a CAIR SO₂ unit shall comply with the following initial certification and recertification procedures, for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendix D to 40 CFR Part 75) under 9 VAC 5-140-3700 A 1. The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19 or that qualifies to use an alternative monitoring system under subpart E of 40 CFR Part 75 shall comply with the procedures in subsection E or F of this section, respectively.

1. The owner or operator shall ensure that each continuous monitoring system under 9 VAC 5-140-3700 A 1 (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under 40 CFR 75.20 by the applicable deadline in 9 VAC 5-140-3700 B. In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this article in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20 is required.

2. Whenever the owner or operator makes a replacement, modification, or change in any

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certified continuous emission monitoring system under 9 VAC 5-140-3700 A 1 that may significantly affect the ability of the system to accurately measure or record SO₂ mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21 or appendix B to 40 CFR Part 75, the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b). Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b). Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system under 9 VAC 5-140-3700 A 1 is subject to the recertification requirements in 40 CFR 75.20(g)(6).

3. Subdivisions a through d of this subdivision apply to both initial certification and recertification of a continuous monitoring system under 9 VAC 5-140-3700 A 1. For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word "certified" with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5) and (g)(7) in lieu of the procedures in subdivision e of this subdivision.

a. The CAIR designated representative shall submit to the permitting authority, the EPA Region III Office, and the administrator written notice of the dates of certification testing, in accordance with 9 VAC 5-140-3730.

b. The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63.

c. The provisional certification date for a monitoring system shall be determined in accordance with 40 CFR 75.20(a)(3). A provisionally certified monitoring system may be used under the CAIR SO₂ Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under subdivision b of this subdivision. Data measured and recorded by the provisionally certified monitoring system, in accordance with the requirements of 40 CFR Part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete certification application by the permitting authority.

d. The permitting authority will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under subdivision b of this subdivision. In the event the permitting authority does not issue such a notice within such 120-day period, each monitoring system that meets the applicable performance requirements of 40 CFR Part 75 and is included in the certification application will be deemed certified for use under the CAIR SO₂ Trading Program.

(1) If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR Part 75, then the permitting authority will issue a written notice of approval of the certification application within 120 days of receipt.

(2) If the certification application is not complete, then the permitting authority will issue a written notice of incompleteness that sets a reasonable date by which the CAIR designated representative shall submit the additional information required to complete the certification application. If the CAIR designated representative does not comply with the notice of incompleteness by the specified date, then the permitting authority may issue a notice of disapproval under subdivision (3) of this subdivision. The 120-day review period shall not begin before receipt of a complete certification application.

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(3) If the certification application shows that any monitoring system does not meet the performance requirements of 40 CFR Part 75 or if the certification application is incomplete and the requirement for disapproval under subdivision (2) of this subdivision is met, then the permitting authority will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the permitting authority and the data measured and recorded by each uncertified monitoring system shall not be considered valid quality-assured data beginning with the date and hour of provisional certification (as defined under 40 CFR 75.20(a)(3)). The owner or operator shall follow the procedures for loss of certification in subdivision e of this subdivision for each monitoring system that is disapproved for initial certification.

(4) The permitting authority or, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the administrator may issue a notice of disapproval of the certification status of a monitor in accordance with 9 VAC 5-140-3720 B.

e. If the permitting authority or the administrator issues a notice of disapproval of a certification application under subdivision d (3) of this subdivision or a notice of disapproval of certification status under subdivision d (4) of this subdivision, then:

(1) The owner or operator shall substitute the following values, for each disapproved monitoring system, for each hour of unit operation during the period of invalid data specified under 40 CFR 75.20(a)(4)(iii), 40 CFR 75.20(g)(7), or 40 CFR 75.21(e) and continuing until the applicable date and hour specified under 40 CFR 75.20(a)(5)(i) or (g)(7):

(a) For a disapproved SO₂ pollutant concentration monitor and disapproved flow monitor, respectively, the maximum potential concentration of SO₂ and the maximum potential flow rate, as defined in sections 2.1.1.1 and 2.1.4.1 of appendix A to 40 CFR Part 75.

(b) For a disapproved moisture monitoring system and disapproved diluent gas monitoring system, respectively, the minimum potential moisture percentage and either the maximum potential CO₂ concentration or the minimum potential O₂ concentration (as applicable), as defined in sections 2.1.5, 2.1.3.1, and 2.1.3.2 of appendix A to 40 CFR Part 75.

(c) For a disapproved fuel flowmeter system, the maximum potential fuel flow rate, as defined in section 2.4.2.1 of appendix D to 40 CFR Part 75.

(2) The CAIR designated representative shall submit a notification of certification retest dates and a new certification application in accordance with subdivisions a and b of this subdivision.

(3) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

E. The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19 shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2) and 75.20(h). If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g).

F. The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the administrator and, if applicable, the permitting authority under subpart E of 40 CFR Part 75 shall comply with the applicable notification and application procedures of 40 CFR 75.20(f).

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9 VAC 5-140-3720. Out of control periods.

A. Whenever any monitoring system fails to meet the quality assurance and quality control requirements or data validation requirements of 40 CFR Part 75, data shall be substituted using the applicable missing data procedures in subpart D of or appendix D to 40 CFR Part 75.

B. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under 9 VAC 5-140-3710 or the applicable provisions of 40 CFR Part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR SO₂ opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the administrator. By issuing the notice of disapproval, the permitting authority or the administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests for the monitoring system. The owner or operator shall follow the applicable initial certification or recertification procedures in 9 VAC 5-140-3710 for each disapproved monitoring system.

9 VAC 5-140-3730. Notifications.

The CAIR designated representative for a CAIR SO₂ unit shall submit written notice to the permitting authority and the administrator in accordance with 40 CFR 75.61, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority.

9 VAC 5-140-3740. Recordkeeping and reporting.

A. The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements in subparts F and G of 40 CFR Part 75, and the requirements of 9 VAC 5-140-3100 E 1.

B. The owner or operator of a CAIR SO₂ unit shall comply with requirements of 40 CFR 75.62 and, for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, 9 VAC 5-140-3830 and 9 VAC 5-140-3840 A.

C. The CAIR designated representative shall submit an application to the permitting authority within 45 days after completing all initial certification or recertification tests required under 9 VAC 5-140-3710, including the information required under 40 CFR 75.63.

D. The CAIR designated representative shall submit quarterly reports, as follows:

1. The CAIR designated representative shall report the SO₂ mass emissions data and heat input data for the CAIR SO₂ unit, in an electronic quarterly report in a format prescribed by the administrator, for each calendar quarter beginning with:

a. For a unit that commences commercial operation before July 1, 2008, the calendar quarter covering January 1, 2009 through March 31, 2009; or

b. For a unit that commences commercial operation on or after July 1, 2008, the calendar quarter corresponding to the earlier of the date of provisional certification or the applicable deadline

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for initial certification under 9 VAC 5-140-3700 B, unless that quarter is the third or fourth quarter of 2008, in which case reporting shall commence in the quarter covering January 1, 2009 through March 31, 2009.

2. The CAIR designated representative shall submit each quarterly report to the administrator within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in 40 CFR 75.64.

3. For CAIR SO₂ units that are also subject to an Acid Rain emissions limitation or the CAIR NO_x Annual Trading Program or CAIR NO_x Ozone Season Trading Program, quarterly reports shall include the applicable data and information required by subparts F through H of 40 CFR Part 75 as applicable, in addition to the SO₂ mass emission data, heat input data, and other information required by this article.

E. The CAIR designated representative shall submit to the administrator a compliance certification (in a format prescribed by the administrator) in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

1. The monitoring data submitted were recorded in accordance with the applicable requirements of this article and 40 CFR Part 75, including the quality assurance procedures and specifications; and

2. For a unit with add-on SO₂ emission controls and for all hours where SO₂ data are substituted in accordance with 40 CFR 75.34 A 1, the add-on emission controls were operating within the range of parameters listed in the quality assurance/quality control program under appendix B to 40 CFR Part 75 and the substitute data values do not systematically underestimate SO₂ emissions.

9 VAC 5-140-3750. Petitions.

A. The CAIR designated representative of a CAIR SO₂ unit that is subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by the administrator, in consultation with the permitting authority.

B. The CAIR designated representative of a CAIR SO₂ unit that is not subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator.

9 VAC 5-140-3760. Additional requirements to provide heat input data.

The owner or operator of a CAIR SO₂ unit that monitors and reports SO₂ mass emissions using a SO₂ concentration system and a flow system shall also monitor and report heat input rate at the unit level using the procedures set forth in 40 CFR Part 75.

Article 39.
CAIR SO₂ Opt-in Units.

9 VAC 5-140-3800. Applicability.

A CAIR SO₂ opt-in unit shall be a unit that:

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_____ A. Is located in the state;

_____ B. Is not a CAIR SO₂ unit under 9 VAC 5-140-3040 and is not covered by a retired unit exemption under 9 VAC 5-140-3050 that is in effect;

_____ C. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect and is not an opt-in source under 40 CFR Part 74;

_____ D. Has or is required or qualified to have a title V operating permit or state operating permit; and

_____ E. Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part.

9 VAC 5-140-3810. General.

_____ A. Except as otherwise provided in 9 VAC 5-140-3010 through 9 VAC 5-140-3040, 9 VAC 5-140-3060 through 9 VAC 5-140-3080, and Articles 32 (9 VAC 5-140-3100 et seq.), 33 (9 VAC 5-140-3200 et seq.), 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), and 38 (9 VAC 5-140-3700 et seq.) of this part, a CAIR SO₂ opt-in unit shall be treated as a CAIR SO₂ unit for purposes of applying such sections and articles of this part.

_____ B. Solely for purposes of applying, as provided in this article, the requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, such unit shall be treated as a CAIR SO₂ unit before issuance of a CAIR opt-in permit for such unit.

9 VAC 5-140-3820. CAIR designated representative.

_____ Any CAIR SO₂ opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, located at the same source as one or more CAIR SO₂ units shall have the same CAIR designated representative and alternate CAIR designated representative as such CAIR SO₂ units.

9 VAC 5-140-3830. Applying for CAIR opt-in permit.

_____ A. The CAIR designated representative of a unit meeting the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 may apply for an initial CAIR opt-in permit at any time, except as provided under 9 VAC 5-140-3860 F and G, and, in order to apply, shall submit the following:

_____ 1. A complete CAIR permit application under 9 VAC 5-140-3220;

_____ 2. A certification, in a format acceptable to the permitting authority, that the unit:

_____ a. Is not a CAIR SO₂ unit under 9 VAC 5-140-3040 and is not covered by a retired unit exemption under 9 VAC 5-140-3050 that is in effect;

_____ b. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect;

_____ c. Is not and, so long as the unit is a CAIR SO₂ opt-in unit, will not become, an opt-in source under 40 CFR Part 74;

_____ d. Vents all of its emissions to a stack; and

_____ e. Has documented heat input for more than 876 hours during the 6 months immediately preceding submission of the CAIR permit application under 9 VAC 5-140-3220;

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3. A monitoring plan in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part;

4. A complete certificate of representation under 9 VAC 5-140-3130 consistent with 9 VAC 5-140-3820, if no CAIR designated representative has been previously designated for the source that includes the unit; and

5. A statement, in a format acceptable to the permitting authority, whether the CAIR designated representative requests that the unit be allocated CAIR SO₂ allowances under 9 VAC 5-140-3880 C (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G).

B. Opt-in permit renewal shall be required as follows:

1. The CAIR designated representative of a CAIR SO₂ opt-in unit shall submit a complete CAIR permit application under 9 VAC 5-140-3220 to renew the CAIR opt-in unit permit in accordance with the permitting authority's regulations for title V operating permits, or the permitting authority's regulations for state operating permits if applicable, addressing permit renewal.

2. Unless the permitting authority issues a notification of acceptance of withdrawal of the CAIR opt-in unit from the CAIR SO₂ Trading Program in accordance with 9 VAC 5-140-3860 or the unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, the CAIR SO₂ opt-in unit shall remain subject to the requirements for a CAIR SO₂ opt-in unit, even if the CAIR designated representative for the CAIR SO₂ opt-in unit fails to submit a CAIR permit application that is required for renewal of the CAIR opt-in permit under subdivision 1 of this subsection.

9 VAC 5-140-3840. Opt-in process.

The permitting authority will issue or deny a CAIR opt-in permit for a unit for which an initial application for a CAIR opt-in permit under 9 VAC 5-140-3830 is submitted in accordance with the following:

A. The permitting authority and the administrator will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a CAIR opt-in permit under 9 VAC 5-140-3830. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the SO₂ emissions rate and heat input of the unit are monitored and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part. A determination of sufficiency shall not be construed as acceptance or approval of the monitoring plan.

B. Monitoring and reporting shall be as follows:

1.a. If the permitting authority and the administrator determine that the monitoring plan is sufficient under subsection A of this section, the owner or operator shall monitor and report the SO₂ emissions rate and the heat input of the unit and all other applicable parameters, in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part, starting on the date of certification of the appropriate monitoring systems under Article 38 (9 VAC 5-140-3700 et seq.) of this part and continuing until a CAIR opt-in permit is denied under 9 VAC 5-140-3840 F or, if a CAIR opt-in permit is issued, the date and time when the unit is withdrawn from the CAIR SO₂ Trading Program in accordance with 9 VAC 5-140-3860.

b. The monitoring and reporting under subdivision a of this subdivision shall include the entire control period immediately before the date on which the unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, during which period monitoring system availability shall not be less than 90.0% under Article 38 (9 VAC 5-140-3700 et seq.) of this part and the unit shall be in full compliance with any applicable state or federal emissions or emissions-related requirements.

2. To the extent the SO₂ emissions rate and the heat input of the unit are monitored and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part for one or more control

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periods, in addition to the control period under subdivision 1 b of this subsection, during which control periods monitoring system availability is not less than 90.0% under Article 38 (9 VAC 5-140-3700 et seq.) of this part and the unit is in full compliance with any applicable state or federal emissions or emissions-related requirements and which control periods begin not more than three years before the unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, such information shall be used as provided in subsections C and D of this section.

C. The unit's baseline heat rate shall equal:

1. If the unit's SO₂ emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's total heat input (in mmBtu) for the control period; or

2. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, the average of the amounts of the unit's total heat input (in mmBtu) for the control periods under subdivisions B 1 b and B 2 of this section.

D. The unit's baseline SO₂ emission rate shall equal:

1. If the unit's SO₂ emissions rate and heat input are monitored and reported for only one control period, in accordance with subdivision B 1 of this section, the unit's SO₂ emissions rate (in lb/mmBtu) for the control period;

2. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit does not have add-on SO₂ emission controls during any such control periods, the average of the amounts of the unit's SO₂ emissions rate (in lb/mmBtu) for the control periods under subdivisions B 1 b and B 2 of this section; or

3. If the unit's SO₂ emissions rate and heat input are monitored and reported for more than one control period, in accordance with subdivisions B 1 and 2 of this section, and the unit has add-on SO₂ emission controls during any such control periods, the average of the amounts of the unit's SO₂ emissions rate (in lb/mmBtu) for such control periods during which the unit has add-on SO₂ emission controls.

E. After calculating the baseline heat input and the baseline SO₂ emissions rate for the unit under subsections C and D of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 and meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the administrator, who will then establish a compliance account for the source that includes the CAIR SO₂ opt-in unit unless the source already has a compliance account.

F. Notwithstanding subsections A through E of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR SO₂ opt-in unit in 9 VAC 5-140-3800 or meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a denial of a CAIR SO₂ opt-in permit for the unit.

G. A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR SO₂ opt-in unit, and a CAIR SO₂ unit, as of the later of January 1, 2010 or January 1 of the first control period during which such CAIR opt-in permit is issued.

H. Repowered CAIR SO₂ opt-in units shall meet the following requirements.

1. If the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR SO₂ opt-in unit of CAIR SO₂ allowances under 9 VAC

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5-140-3880 C and such unit is repowered after its date of entry into the CAIR SO₂ Trading Program under subsection G of this section, the repowered unit shall be treated as a CAIR SO₂ opt-in unit replacing the original CAIR SO₂ opt-in unit, as of the date of start-up of the repowered unit's combustion chamber.

2. Notwithstanding subsections C and D of this section, as of the date of start-up under subdivision 1 of this subsection, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline SO₂ emission rate as the original CAIR SO₂ opt-in unit, and the original CAIR SO₂ opt-in unit shall no longer be treated as a CAIR opt-in unit or a CAIR SO₂ unit.

9 VAC 5-140-3850. CAIR opt-in permit contents.

A. Each CAIR opt-in permit will contain:

1. All elements required for a complete CAIR permit application under 9 VAC 5-140-3220;
2. The certification in 9 VAC 5-140-3830 A 2;
3. The unit's baseline heat input under 9 VAC 5-140-3840 C;
4. The unit's baseline SO₂ emission rate under 9 VAC 5-140-3840 D;
5. A statement whether the unit is to be allocated CAIR SO₂ allowances under 9 VAC 5-140-3880 C (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G);
6. A statement that the unit may withdraw from the CAIR SO₂ Trading Program only in accordance with 9 VAC 5-140-3860; and
7. A statement that the unit is subject to, and the owners and operators of the unit shall comply with, the requirements of 9 VAC 5-140-3870.

B. Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Articles 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part or this subpart, every allocation, transfer, or deduction of CAIR SO₂ allowances to or from the compliance account of the source that includes a CAIR SO₂ opt-in unit covered by the CAIR opt-in permit.

C. The CAIR opt-in permit shall be included, in a format acceptable to the permitting authority, in the CAIR permit for the source where the CAIR opt-in unit is located.

9 VAC 5-140-3860. Withdrawal from CAIR SO₂ Trading Program.

Except as provided under subsection G of this section, a CAIR SO₂ opt-in unit may withdraw from the CAIR SO₂ Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit of the acceptance of the withdrawal of the CAIR SO₂ opt-in unit in accordance with subsection D of this section.

A. In order to withdraw a CAIR opt-in unit from the CAIR SO₂ Trading Program, the CAIR designated representative of the CAIR SO₂ opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least four years after December 31 of the year of entry into the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G. The request shall be submitted no later than 90 days before the requested effective date of withdrawal.

B. Before a CAIR SO₂ opt-in unit covered by a request under subsection A of this section may withdraw from the CAIR SO₂ Trading Program and the CAIR opt-in permit may be terminated under

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subsection E of this section, the following conditions must be met:

1. For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR SO₂ opt-in unit must meet the requirement to hold CAIR SO₂ allowances under 9 VAC 5-140-3060 and must not have any excess emissions.

2. After the requirement for withdrawal under subdivision 1 of this subsection is met, the administrator will deduct from the compliance account of the source that includes the CAIR SO₂ opt-in unit CAIR SO₂ allowances equal in amount to and allocated for the same or a prior control period as any CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR SO₂ units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR SO₂ opt-in unit may submit a CAIR SO₂ allowance transfer for any remaining CAIR SO₂ allowances to another CAIR SO₂ Allowance Tracking System in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part.

C. Notification shall be performed as follows:

1. After the requirements for withdrawal under subsections A and B of this section are met (including deduction of the full amount of CAIR SO₂ allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit of the acceptance of the withdrawal of the CAIR SO₂ opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested.

2. If the requirements for withdrawal under subsections A and B of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO₂ opt-in unit that the CAIR SO₂ opt-in unit's request to withdraw is denied. Such CAIR SO₂ opt-in unit shall continue to be a CAIR SO₂ opt-in unit.

D. After the permitting authority issues a notification under subdivision C 1 of this subsection that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR SO₂ opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision C 1 of this subsection. The unit shall continue to be a CAIR SO₂ opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR SO₂ Trading Program concerning any control periods for which the unit is a CAIR SO₂ opt-in unit, even if such requirements arise or shall be complied with after the withdrawal takes effect.

E. If the permitting authority denies the CAIR SO₂ opt-in unit's request to withdraw, the CAIR designated representative may submit another request to withdraw in accordance with subsections A and B of this section.

F. Once a CAIR SO₂ opt-in unit withdraws from the CAIR SO₂ Trading Program and its CAIR opt-in permit is terminated under this section, the CAIR designated representative may not submit another application for a CAIR opt-in permit under 9 VAC 5-140-3830 for such CAIR SO₂ opt-in unit before the date that is four years after the date on which the withdrawal became effective. Such new application for a CAIR opt-in permit will be treated as an initial application for a CAIR opt-in permit under 9 VAC 5-140-3840.

G. Notwithstanding subsections A through F of this section, a CAIR SO₂ opt-in unit shall not be eligible to withdraw from the CAIR SO₂ Trading Program if the CAIR designated representative of the CAIR SO₂ opt-in unit requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to the CAIR SO₂ opt-in unit of CAIR SO₂ allowances under 9 VAC 5-140-3880 C.

9 VAC 5-140-3870. Change in regulatory status.

A. If a CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, then the CAIR designated representative shall notify in writing the permitting authority and the administrator of such change

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in the CAIR SO₂ opt-in unit's regulatory status, within 30 days of such change.

B. The permitting authority and the administrator shall take the following actions.

1. If a CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, the permitting authority will revise the CAIR SO₂ opt-in unit's CAIR opt-in permit to meet the requirements of a CAIR permit under 9 VAC 5-140-3230 as of the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040.

2.a. The administrator will deduct from the compliance account of the source that includes a CAIR SO₂ opt-in unit that becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, CAIR SO₂ allowances equal in amount to and allocated for the same or a prior control period as:

(1) Any CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for any control period after the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040; and

(2) If the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 is not December 31, the CAIR SO₂ allowances allocated to the CAIR SO₂ opt-in unit under 9 VAC 5-140-3880 for the control period that includes the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040, multiplied by the ratio of the number of days, in the control period, starting with the date on which the CAIR SO₂ opt-in unit becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 divided by the total number of days in the control period and rounded to the nearest whole allowance as appropriate.

b. The CAIR designated representative shall ensure that the compliance account of the source that includes the CAIR SO₂ unit that becomes a CAIR SO₂ unit under 9 VAC 5-140-3040 contains the CAIR SO₂ allowances necessary for completion of the deduction under subdivision a of this subdivision.

9 VAC 5-140-3880. SO₂ allowance allocations to CAIR SO₂ opt-in units.

A. Timing requirements shall be met as follows:

1. When the CAIR opt-in permit is issued under 9 VAC 5-140-3840 E, the permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit, and submit to the administrator the allocation for the control period in which a CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, in accordance with subsections B or C of this section.

2. By no later than October 31 of the control period in which a CAIR opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G and October 31 of each year thereafter, the permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit, and submit to the administrator the allocation for the control period that includes such submission deadline and in which the unit is a CAIR SO₂ opt-in unit, in accordance with subsection B or C of this section.

B. For each control period for which a CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances, the permitting authority will allocate in accordance with the following procedures:

1. The heat input (in mmBtu) used for calculating the CAIR SO₂ allowance allocation will be the lesser of:

a. The CAIR SO₂ opt-in unit's baseline heat input determined under 9 VAC 5-140-3840 C; or

b. The CAIR SO₂ opt-in unit's heat input, as determined in accordance with Article

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38 (9 VAC 5-140-3700 et seq.) of this part, for the immediately prior control period, except when the allocation is being calculated for the control period in which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G.

2. The SO₂ emission rate (in lb/mmBtu) used for calculating CAIR SO₂ allowance allocations will be the lesser of:

a. The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-3840 D and multiplied by 70.0%; or

b. The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period for which CAIR SO₂ allowances are to be allocated.

3. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision 1 of this subsection, multiplied by the SO₂ emission rate under subdivision 2 of this subsection, and divided by 2,000 lb/ton.

C. Notwithstanding subsection B of this section and if the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR SO₂ opt-in unit of CAIR SO₂ allowances under this subsection (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G), the permitting authority will allocate to the CAIR SO₂ opt-in unit as follows:

1. For each control period in 2010 through 2014 for which the CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances,

a. The heat input (in mmBtu) used for calculating CAIR SO₂ allowance allocations will be determined as described in subdivision B 1 of this section.

b. The SO₂ emission rate (in lb/mmBtu) used for calculating CAIR SO₂ allowance allocations will be the lesser of:

(1) The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu) determined under 9 VAC 5-140-3840 D; or

(2) The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period in which the CAIR SO₂ opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G.

c. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision a of this subdivision, multiplied by the SO₂ emission rate under subdivision b of this subdivision, and divided by 2,000 lb/ton.

2. For each control period in 2015 and thereafter for which the CAIR SO₂ opt-in unit is to be allocated CAIR SO₂ allowances,

a. The heat input (in mmBtu) used for calculating the CAIR SO₂ allowance allocations will be determined as described in subdivision B 1 of this section.

b. The SO₂ emission rate (in lb/mmBtu) used for calculating the CAIR SO₂ allowance allocation will be the lesser of:

(1) The CAIR SO₂ opt-in unit's baseline SO₂ emissions rate (in lb/mmBtu)

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determined under 9 VAC 5-140-3840 D multiplied by 10.0%; or

(2) The most stringent state or federal SO₂ emissions limitation applicable to the CAIR SO₂ opt-in unit at any time during the control period for which CAIR SO₂ allowances are to be allocated.

c. The permitting authority will allocate CAIR SO₂ allowances to the CAIR SO₂ opt-in unit with a tonnage equivalent equal to, or less than by the smallest possible amount, the heat input under subdivision a of this subdivision, multiplied by the SO₂ emission rate under subdivision b of this subdivision, and divided by 2,000 lb/ton.

D. Recordation shall be performed as follows:

1. The administrator will record, in the compliance account of the source that includes the CAIR SO₂ opt-in unit, the CAIR SO₂ allowances allocated by the permitting authority to the CAIR SO₂ opt-in unit under subdivision 2 of this subsection.

2. By December 1 of the control period in which a CAIR opt-in unit enters the CAIR SO₂ Trading Program under 9 VAC 5-140-3840 G, and December 1 of each year thereafter, the administrator will record, in the compliance account of the source that includes the CAIR SO₂ opt-in unit, the CAIR SO₂ allowances allocated by the permitting authority to the CAIR SO₂ opt-in unit under subdivision A 2 of this section.